هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

qfma.org.qa

ANNUAL REPORT 2021

Qatar

qfma.org.qa

25552 Doha, Qatar

+974 44 28 99 99

In The Name Of Allah,
The Most Gracious, The Most Merciful

H.H. Sheikh

Tamim Bin Hamad Al-Thani

Emir of the State of Qatar

CONTENTS

- Board of Directors & Chief Executive Officer 8
- Chairman's Message 14
- CEO's Message 16
- Part One 19

  About Qatar Financial Markets Authority.
- Part Two 29

  QFMA's Jurisdiction
  - Financial Services Activities.
  - Functions Subject to QFMA's Jurisdiction (Regulated Functions).
  - Bodies and Persons Subject to QFMA's Jurisdiction.
- Part Three

  QFMA's Membership Locally & Internationally 37
- Part Four

  QFMA's Performance & Statistics 41
- Part Five

  Performance of Qatari Securities Market 83

Board of Directors
& Chief Executive Officer

H.E. Sheikh Bandar Bin Mohammed Bin Saoud Al-Thani
Chairman of the Board of Directors

Mr. Yahya Saeed Al Jafali Al Nuaimi
Vice-Chairman of the Board of Directors

Dr. Mohammed Abdulaziz Saleh Al Khulaifi
Member

H.E. Sheikh Khalid Bin Saud Bin Fahad Al-Thani

Member

Dr. Khalid Nasser Mohammed Al Khater

Member

Mr. Abdulrahman Mohammed Yousuf Jolo

Member

Mr. Michael Ryan

Member

Nasser Ahmad Abdulrahman Al-Shaibi

Chief Executive Officer

Chairman's Message

Since established in 2005 as an independent regulatory and supervisory authority on financial markets and companies licensed to conduct securities' activities, QFMA continues its constant efforts to achieve the highest levels of progress and development of the Qatari capital market sector, leading to promoting the continuous advancement, maintaining the stability and protecting the investors and dealers of the financial sector.

In pursuance of its vision to advance the Qatari capital markets to serve as a model for financial services in line with the best international standards and practices, QFMA is moving forward to meet and fulfill the investors aspirations as well anticipate their insights. This would enhance the level of such financial services and lead to moving the competitiveness of the Qatari financial sector market to a new qualitative stage, by encouraging doing business in the market, and speeding up efforts of advance it to the ranks of developed markets, which will reflect positively on all entities and persons subject to QFMA's jurisdiction.

The positive effects of the QFMA's measures and steps taken to develop the Qatari capital market during 2021 were clear and direct on the QSE trading, which was able, despite the impact of the (Covid-19) pandemic, to achieve a significant leap during 2021 compared to 2020. The market capitalization of QSE traded shares in 2021 increased by 10.9% totaling QR 667 billion compared to QR 602 billion in 2020, in addition to an increase of 11.4% in the QSE general index closing at 11,626 points in 2021 compared to 10,436 in 2020.

2021 witnessed many challenges and economic changes in the world as an extension of those in 2020, as a result of the (Covid-19) pandemic, and its repercussions on various sectors and activities; Therefore, there is no doubt that it has become more need and urgent than ever for the motives and objectives of achieving the QFMA's priorities to develop the legislative environment of the financial markets, raising the level of their efficiency and competitiveness, and consolidating the best international practices in the supervision, regulation and control of the financial industry.

The content of this report, in large part, sheds light on the QFMA's activities and initiatives during 2021, and provides a detailed presentation and an overall view of the work and achievements undertaken by QFMA in terms of developing the legislative environment for the financial sector and strengthening the infrastructure of the Qatari capital market.

The objective of the procedures, policies and regulations developed by QFMA during 2021 was to enhance the investors' protection and maintain the Qatari capital markets' stability, integrity and transparency; as well develop the attractiveness of the market investment environment. This shall serve the process of attracting local and foreign capital, and promoting digital transformation that contributes to business acceleration and services provision with high flexibility to the financial sector by employing the latest digital technologies, and keeping pace with the latest global developments in the sector, which would give investors the best experience and added value that they can get in accomplishing their business in a way that fulfills their aspirations and goals.

From this standpoint, QFMA is making great and continuous efforts to understand the needs of investors and dealers in the financial sector, and to achieve and reflect them on the ground.

In this context, QFMA affirms its commitment to hard work to achieve the Qatari capital market leadership, by continuing to develop the legislative environment, protect investors, enhance their confidence in the market, and support innovation factors in the provision of financial services, in a way that contributes to serving and developing the national economy.

Bandar Bin Mohammed Bin Saoud Al-Thani
Chairman of the Board of Directors

CEO's Message

QFMA's performance during 2021 was distinguished by completing several works and achievements at all legislative, regulatory and supervisory levels, despite the challenges that QFMA dealt with through thoughtful systematic planning, with hard work and appropriate decisions and procedures, based on its keenness to maintain a strong, competitive and regulated capital market in the State of Qatar, able to keep pace with global developments, and meets international standards and requirements, within a stimulating investment environment that protects investors and enhances their confidence, as well provides them with the highest level of integrity and transparency in order to ensure stability, sustainability and success for their investments.

In this context, QFMA has continued its role and activity at a rapid pace and made great efforts to strengthen the attractiveness of the financial sector, develop and improve the performance of such sector, and improve its transactions and flexibility to continue in performing its ambitious role as a supportive sector for diversity and growth of the national economy.

QFMA has established and strengthened infrastructure pillars of the Qatari capital market sector, in keeping with the investors' aspirations, and to meet the QFMA's objectives in pursuit of achieving its future vision for a developed capital market that provides distinctive and motivating financial services to all dealers, competing the developed capital markets.

QFMA develops the regulations and legislation that govern work of the Qatari capital market, in line with global markets developments, and provide a pioneering financial sector, governed by the rules and values of integrity, transparency, fairness and equality for all dealers, which ensures the highest levels of their satisfaction and acceptance, as well success for their investment.

Considering the ongoing updating process of its legislation and regulations, during 2021, QFMA amended Margin Trading Rules with the aim of increasing liquidity and raising the financial market attractiveness. It also amended Financial Services Rulebook and issued a new Offering and Listing Securities Rulebook, so that the procedures and requirements for offering and listing would be available to a larger group of companies, as well as issued rules for Listed Shareholding Companies Purchase of Own Shares for the Purpose of Employee Incentive Scheme.

In view of the QFMA's continuous role in promoting awareness among licensed entities in implementing the of AML/CFT requirements and reducing their risks, QFMA launched an awareness and assessment program for combating money laundering and terrorist financing to promote awareness of this field in the capital market sector. It also organized and participated in several workshops and training courses related to AML/CFT. In addition, it strengthened the its measures to monitor the effectiveness of the licensed entities' compliance with the AML/CFT legislative requirements, as well continued to review the risk rating of such entities.

QFMA exerts great efforts and interest to enhance its presence at the Arab and international levels; thus, it has strengthened cooperation, locally, regionally and internationally, with many authorities and organizations related to financial sector and the QFMA's field of activity. This cooperation is represented by signing cooperation agreements and memoranda of understanding with those parties, as well as participating in a number of regional and international meetings and conferences, which were held via remote communication technology.

QFMA also takes upon itself the diligent and continuous work to ensure the development of the Qatari financial market, raise its potential for growth, and enhance its competitiveness. To this end, QFMA will continue to monitor the main indicators of market performance, provide innovative frameworks, facilitate the issuance of new investment and financial products, in addition to promote the legislative and institutional development of the capital market, and provide everything that would contribute to making qualitative leaps for the market that bring benefit and interest to its investment environment, investors, dealers, and the national economy.

Nasser Ahmed Abdulrahman Al Shaibi
Chief Executive Officer

Khalifa Stadium

Opened in
19 May 2017

Part One

About QFMA 1

QFMA's Establishment

Qatar Financial Markets Authority (QFMA) was established by virtue of Law No. (33) of 2005 as an independent regulatory authority to supervise the financial markets and companies licensed to conduct securities activities in or from the State of Qatar, and empowered to exercise regulatory oversight and enforcement over the capital markets. The QFMA officially undertook its responsibility on September of 2007.

To keep up with developments in the financial markets, Law No. (8) of 2012 was issued to replace Law No. (33) of 2005.

Vision

Advancement of Qatari capital markets to serve as a model for financial services.

Mission

Investor's protection, maintenance of Qatari capital markets' stability, integrity and transparency; and development of proficiency and knowledge to enhance the growth and diversity of the national economy.

Values:

QFMA depends on multi values in the performance of its staff and officials and enable institutional values order that the staff in the QFMA shall commit and do fully their duties as follow:

1. Integrity: applying the highest ethical standards and honesty in addressing issues and taking decisions.
2. Excellence: striving to be innovative, creative and fact-based in designing and executing the tasks.
3. Fairness: being impartial and independent in dealing with the public and relevant institutions.
4. Responsibility: making decisions and executing the procedures (actions) clearly and transparently and bear the consequences.
5. Teamwork: working cooperatively and collaboratively with others to achieve mutual benefits and meet the targeted interest.
6. Identity: maintain the culture, customs and values of Qatar.

Key Functions:

The QFMA aims to maintain confidence in the dealing system of financial markets, and protect the investors in Securities and others who deal in securities in order to ensure stability of financial markets and reduce risks that may face. In order to achieve its objectives, the QFMA shall specifically:

1. Regulate, control and supervise the financial markets.
2. Regulate the dealing of the securities activities with fairness, competitiveness and transparency.
3. Raise public awareness of securities activities and promote in securities' investment and development.
4. Monitor the investors' dealing rules governing activities related to trading of securities and other type.
5. Implement disclosure policy in order to achieve fairness, transparency and prevent conflict of interests and internal information exploitation.
6. Combat the causes of crimes related to the financial markets.
7. Enhance liaison, communication and information exchange with foreign financial markets, and regional and international regulators, organizations and institutions to benefit from their dealing methodologies in order to develop the financial markets within the State of Qatar.
8. Conduct studies, collect information and compile statistics on the financial markets' activities and publish relevant reports.

QFMA's Jurisdiction

By virtue of Law No. (8) of 2012, the QFMA shall have the responsibility for implementation and enforcement of laws and regulations applicable to supervise and regulate the securities and relevant activities in the State of Qatar. Therefore, the QFMA's functions are as follows:

- Issue rules and regulations concerning the capital market and dealing in securities within the State of Qatar, compliance with the international standards and what fit with the needs of the Qatari market and achieve the QFMA's regulatory objectives.
- Ensure integrity and transparency of the market by monitoring trading operations in parallel with the QSE as the competent entity, in order to detect manipulations, violations or suspicious transactions in the market, and take necessary measures in this regard pursuant to the rules and regulations.
- Follow-up the disclosures of listed companies, supervise trading, and monitor the compliance of licensed companies and approved individuals with the granted licensing requirements.

- Carry out inspection visits (periodic and non-periodic) to the QSE and QCSD and the licensed companies conducting the regulated functions.
- License the listing of securities for trading in QSE.
- Support the growth and development of capital market in the State of Qatar by encouraging including new financial instruments and trading mechanisms, applying advanced technology and raising investor awareness.
- Issue licenses for individuals and companies to conduct the regulated activities and the functions subject to QFMA's jurisdiction.

Principles of Professional Conduct

QFMA issued a code of professional conduct for its employees, aiming at creating a corporate culture that supports the professional values of QFMA's staff, provides them with the responsibility and adherence to high morals in dealing with each other in or outside QFMA or in dealing with others from outside QFMA regardless of their confession.

This Code, adopted by His Excellency the Chairman, aims at instilling and developing a set of core values in the work environment for the purpose of maintaining the good reputation of QFMA and ensuring the provision of high-quality services and high-level performance.

The Code includes six key principles that help to provide a good work climate in order to achieve the objectives and aspirations of QFMA, namely:

- Showing honesty, integrity and loyalty in duty.
- Implementing work policies and regulations in QFMA.
- Treating others with respect and equality.
- Maintaining the confidentiality of information.
- Avoiding any conflicts of interest.
- Respecting and supporting QFMA.

These key principles have been converted into detailed rules that form the Code of Conduct. The scope of the principles comprises all the QFMA's employees, regardless of their job categories, as well as temporary contract employees, trainees, providers of consulting services throughout the duration of their affiliation to or their work with QFMA.

QFMA's Strategic Plan (2017-2022)

QFMA set out its second strategic plan for the period 2017-2022, which aims to advance the Qatari capital market to excellence and flexibility in performance to support the national economy and sustainable financial stability in accordance with the best international standards and local market privacy.

The strategic plan is based on five pillars:

1. QFMA's Law.
2. Qatar National Vision (QNV) 2030
3. Qatar National Development Strategy (QNDS) (2018-2022)
4. The Second Strategic Plan for Financial Sector Regulation (SSP) (2017-2022)
5. IOSCO's Objectives

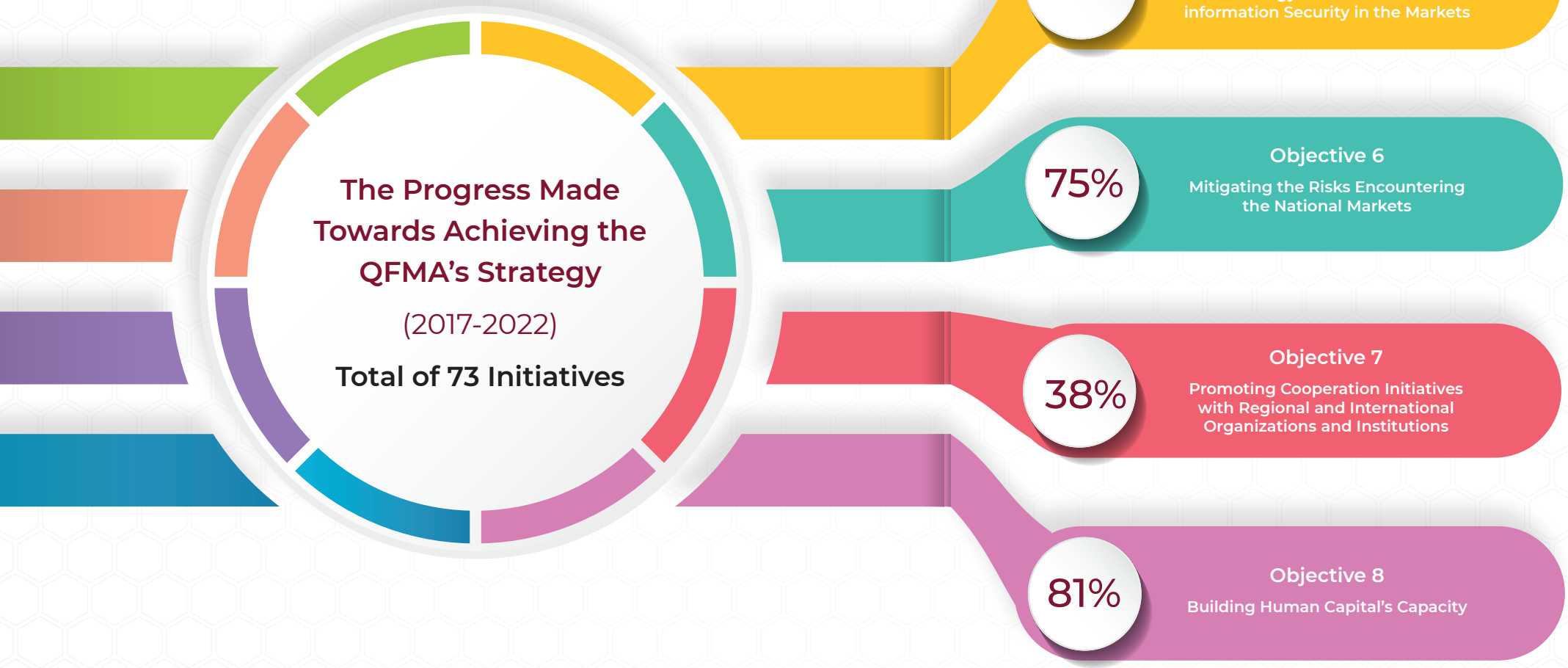
The QFMA's strategy includes eight key objectives. Each objective includes a set of initiatives and programs to achieve these objectives, namely:

1. Boosting the efficiency of the institutional capacity of the QFMA
2. Enhancing the efficacy and efficiency of the market legislations
3. Uplifting the performance efficiency of the financial services companies
4. Developing and Improving the Financial Services and Products Provided to Investors.
5. Scaling-up the usage of modern Technology Tools & the level of information Security in the Markets
6. Mitigating the Risks Encountering the National Markets
7. Promoting Cooperation Initiatives with Regional and International Organizations and Institutions
8. Building Human Capital's Capacity

The Progress Made Towards Achieving the QFMA's Strategy

(2017-2022)

80%


The Progress Made Towards Achieving the QFMA's Strategy
(2017-2022)
Total of 73 Initiatives
80%
Objective 5
Scaling-up the usage of modern Technology Tools & the level of information Security in the Markets
75%
Objective 6
Mitigating the Risks Encountering the National Markets
38%
Objective 7
Promoting Cooperation Initiatives with Regional and International Organizations and Institutions
81%
Objective 8
Building Human Capital's Capacity

QFMA's Key Internal Committees

1- Investigation Committee:

It shall have the power to conduct investigations into violations, complaints or any other matters assigned by the CEO. The Committee shall submit a written report to the CEO including the investigation result, particularly a description of the violation subject of the investigation, names of the violators, a summary of the procedures that have been done as well as the result reached and the recommendations.

2- Disciplinary Committee:

It shall be the sole party responsible for considering the matters referred to it by the CEO or his designee with respect to violations and complaints along with settling complaints and appeals against decisions of those subject to the QFMA's jurisdiction. The Committee shall have all the powers for disciplinary and enforcement of the procedures and the penalties prescribed in the QFMA Law along with its amendments, regulations, rules and decisions issued in pursuance hereof. The decisions of the Committee shall be passed by the majority of opinions and it is possible to appeal against the decision of the Disciplinary Committee within 15 days of receiving the decision notice.

3- Appeals Committee

It shall have the power to decide appeals of punitive decisions issued by the QFMA. It shall be chaired by one of the presidents of the Court of Appeals and shall include the membership of two judges of the Court of Appeals nominated by the Supreme judiciary Council as well as two experts in securities trading nominated by the Board. The decisions of the Committee shall be passed by the majority of votes and its decisions shall be final in this regard and it is possible to appeal against the decision before the Court of Appeals.

4- Dispute Settlement Committee

It shall have the responsibility to settle disputes arising from transactions relating to securities in financial markets by arbitration in accordance with the procedures set forth in Regulations for Settlement of Disputes Arising from Transactions Related to Securities by Arbitration. The Committee shall issue its decisions and awards by the majority. The Committee may issue separate final decisions and awards on relevant matters at different times during the consideration of the dispute and it may issue a decision to approve amicable settlement at the request of one of the parties.

5- Licensing Committee:

It shall be responsible for considering license applications submitted to QFMA by the entities wishing to perform any of the financial services activities that subject to the QFMA's license, as well as applications of approving the individuals conducting any of the regulated functions, renewal applications, registration applications for external auditors and financial evaluators. The Committee shall also consider applications for listing securities.

6- Tenders and Auctions Committee:

The Committee shall be responsible for conducting tenders, auctions and practices for contracts relating to procurement of any needs or requirements for the QFMA of goods, materials, equipment, machines, devices and other goods and products.

The committee shall meet whenever necessary and consist of a number of members, as well representatives from the Audit Bureau and the Governmental Procurement Department at the Ministry of Finance.

7-Personnel Affairs Committee:

The Committee shall be responsible for considering the application concerning the promotions of Qatari employees in the QFMA (seniority or exceptional), modifying the job status and job titles, approving bounces and allowances, appeals, and applications of study completion on private expense, in addition to any other functions assigned to it by the CEO.

8-HR Disciplinary Committee:

The Committee shall be responsible for imposing disciplinary penalties against the second-degree and below occupants with appropriate penalties thereon, and considering suspending the employees referred to accountability before it and extending their suspension, whether the suspension decision is issued by the Committee or by the CEO.

Aljanoub Stadium

Opened in
16 May 2019

Part Two

QFMA's Jurisdiction

- Financial Services Activities.
- Functions Subject to QFMA's Jurisdiction (Regulated Functions).
- Bodies and Persons Subject to QFMA's Jurisdiction.

2

Financial Services Activities subject to QFMA's Jurisdiction

1. Execution of securities purchase or sale's orders for others.
2. Securities' trading for own account.
3. Custody services (cash or securities).
4. Broker Agent.
5. Advice on securities.
6. Securities' investment management.
7. Investment trusteeship.
8. Underwriting issuance of securities.
9. Securities' issuance management.
10. Market maker.
11. Liquidity providing.
12. Margin trading.
13. Securities' lending and borrowing.
14. Securities marketing and promotion.
15. Listing advisor in securities.
16. Financial markets.
17. Central depository of securities.
18. Clearing and settlement of securities.
19. Any other activity deemed by the QFMA to be added to these activities.

Securities Licensed for Trading on the Market:

- Shares.
- Government Bonds.
- Treasury Bills.
- Investment Funds' Units.
- Real Estate Investment Funds' Units.
- Rights Issue.
- Bonds and Sukuk of Listed Shareholding Companies.

Functions Subject to QFMA's Jurisdiction (Regulated Functions)

Regulated functions are divided into three categories:

Category (1):

Functions performed by people who have a significant influence on the operations of the Company:

This category includes the following functions:

1. Board Members of the Company.
2. Chief Executive Officer or, a general manager, or a managing director.
3. A person acting for any of the persons mentioned in (2) above.
4. Financial manager.

Category (2):

Technical functions of Company Representatives and securities professionals:

This category includes the following functions:

1. "Financial Advisor" is the approved individual responsible for providing advice to clients in respect of securities investment in return for compensation or a commission paid to the Company.
2. "Account Manager" is the approved individual responsible for administering the account of a client.
3. "Broker Representative" is each approved individual responsible for executing sale and purchase orders for the broker or his clients.
4. "Back Office Operations Officer" is each approved individual responsible for opening clients' accounts, settling transactions by receiving and delivering funds and securities, and maintaining financial records related to the clients.
5. "Financial Analyst" is the approved individual responsible for analyzing the previous, current, and expected performance of securities issuers; or individual who performs financial analyses with a view to providing financial advice to companies concerning corporate finance operations and capital operations.
6. "Investment Manager" is the approved individual responsible for managing securities portfolios for others (mutual funds, and individuals) by taking sale and purchase decisions on behalf of his clients according to the authorization given to him by the client; or the approved individual who works for an Investment Trustee to monitor management of investments.
7. "Representative of a Custodian" is the approved individual responsible for the custody of funds and securities, and he may undertake measures related to registration, transfer of property, mortgage and attachment of funds and securities of clients.
8. "Trading Manager" is the individual responsible for supervising the Broker's Representatives and for the operations of receiving and executing the purchase and sale orders for the clients or for the own trading.
9. "Deputy Trading Manager" is the individual who replaces trading manager in case of absence.

Category (3):

Functions related to monitoring compliance:

1. "Compliance Officer" is an approved individual responsible for ensuring application of the laws, bylaws, regulations, and decisions binding on the Company, including all that is issued by regulatory authorities in this respect. He must inform the Top Management of any breaches and submit such information to the Authority if no appropriate action is taken.
2. "Money Laundering Reporting Officer (MLRO)" is the individual who performs the function of monitoring and reporting money laundering and terrorism financing crimes.

3. Deputy Money Laundering Reporting Officer (Deputy MLRO) is the individual who replaces the MLRO in case of absence
4. "Risk Management Officer" is the approved individual responsible for enforcement of policies and procedures related to identification, measuring, and avoiding risks that might face the Company and for preparing relevant reports.
5. "Internal Auditor" is an approved individual responsible for adopting the most suitable approach for supervision to ensure compliance with rules and procedures specified in the Company internal controls, and he is responsible for reporting any breaches in this respect and following up measures taken to remove such breaches.

General Conditions for Approving Individuals

In order to obtain the QFMA's approval for conducting any of the regulated functions for a financial services company, an individual must satisfy the following general conditions:

1. He must have good reputation.
2. He should enjoy full legal capacity.
3. He must not have been dismissed from service for disciplinary reasons; or barred indefinitely on disciplinary grounds from performing a function in the securities business or any other private profession; or sentenced to a criminal sanction; or a misdemeanor sanction in a crime against honor or integrity; or to a restriction of freedom in respect of any of the crimes defined by any of the Commercial Companies Law, the QFMA's Law; or declared bankrupt unless he was rehabilitated.
4. He must not be subject to any legal or administrative proceedings that might negatively affect his financial position or capability of fulfilling any of the regulatory conditions and requirements.
5. He must have obtained educational qualifications relevant to his function.
6. He must attend the training programs specified by the QFMA and pass the tests or attend similar training programs set by foreign authorities recognized by the QFMA.
7. He must not be a manager or member of Top Management or an employee of an entity listed on the Market, unless such entity is the licensed company where he works. This condition does not apply to Company's Board members.

Bodies and Persons Subject to QFMA's Jurisdiction:

In accordance with Law No. (8) Of 2012, as amended by Decree-Law No. (22) of 2018, and based on the definitions contained in the Law, an activity shall be deemed to be an activity subject to regulation in the event that it is a licensed financial market, a depositary or anything that falls within one category or more of the activities stipulated in Appendix II attached in QFMA Regulation and relating to one or more of the licensed securities or it is carried out as a business.

The persons, entities and individuals subject to the QFMA's jurisdiction are:

1: Financial Markets:

▸ Qatar Stock Exchange (QSE).

QSE is a private Qatari shareholding company licensed by QFMA as a regulated financial market to regulate dealing in securities in the following financial markets:

1. Main Market.
2. Second Market (Venture Market)
3. ETFs Market.
4. Sukuk & Bond Market (Government bonds and Treasury Bills).
5. Real Estate Funds Market.

2: Depository, Custody, Clearing & Settlement:

▸ Qatar Central Securities Depository (QCSD).

QCSD is a private Qatari shareholding company licensed by QFMA to take responsibility of providing depositary services, securities custody, transfer of ownership, registration and securities clearing and settlement operations.

3: Listed Companies & Funds

▸ First: Listed Companies:

(47) companies listed on the main market "QSE".

(2) companies listed on the second market (Venture Market) "QSE".

▸ Second: Listed Funds:

There are two ETFs listed on the QSE:

- QE Index Exchange Traded Fund (QETF).
- Al Rayan Qatar ETF (QART).

4: Financial Services Companies:

In accordance with Article (3) of Financial Services Rulebook issued by the QFMA's Board decision No. (5) of 2019 as amended by the Board decision no. (2) of 2021, any person may perform, in or from the State, the financial services activities after obtaining a license issued by the QFMA.

By the end of the year, the number of financial services companies reached (18).

5: External Auditors:

An external auditor is a legal person licensed by the competent department at Ministry of Economy and Commerce or registered at Qatar Financial Center (QFC) to carry out the works of revision and audit of financial statements and reports, to express an opinion in accordance with rules and principles of the profession and the International Standards on Auditing (ISA) or auditing standards relating to Islamic financial institutions; and to confirm whether those financial statements are free of fundamental mistakes; as well as the liquidations.

By the end of the year, the number of offices and companies registered at QFMA as external auditors reached (13).

6: Financial Evaluators:

A financial evaluator is a legal person registered at the QFMA to carry out the works of preparing financial evaluation studies for listed entities and entities subject to the QFMA's jurisdiction, or entities wishing to be listed, or unlisted companies to be merged with listed company, a subsidiary of a listed company or merging a listed company for the purpose of listing in the financial markets in order to increase capital, Initial Public Offerings (IPOs), private offering, acquisition, merger, restructuring or any other purpose may be considered by the applicant entity for evaluation.

By the end of the year, the number of offices and companies registered at QFMA as financial evaluator reached (12).

7: Offering Managers and Listing Advisors in the Main Market:

The Issuer, according to the application submitted to the QFMA for offering and listing securities on the market, shall appoint an offering manager or a listing advisor to perform the functions specified in Article (14) of Offering & Listing of Securities on the Financial Markets Rulebook issued by QFMA's Board Decision No. 4 of 2020.

By the end of the year, the number of companies licensed by QFMA reached (8).

8: Listing Advisors in the Second Market (Venture Market):

The Issuer, according to the application submitted to the QFMA for offering and listing securities on the market, shall appoint a listing advisor to perform the functions specified in Article (53) of Offering & Listing of Securities on the Financial Markets Rulebook.

By the end of the year, the number of companies registered at QFMA as listing advisors reached (6).

9: Custodians:

The Custodians conduct custody services which consist of holding money or securities belonging to any investor in connection with investment in securities issued to the public or traded in a market subject to QFMA's jurisdiction or conducting activities related to custody services.

By the end of the year, the number of custodians registered at QFMA reached (3).

10: Approved Individuals and Regulated Functions:

An approved individual is any natural person who has received a license or an approval from QFMA for conducting the regulated functions after meeting the requisite conditions specified in Article (7) of Appendix Two of the Financial Services Rulebook issued by the QFMA's Board Decision No. (5) of 2019 and as amended.

The number of approved individuals in the regulated functions reached (178).

11: Participants Dealing in Securities:

Any person relating to any of the purchases, sales, transfer of ownership, registration, lending and borrowing, related to securities licensed in the market, whether such transactions are conducted directly or through an intermediary.

Education City Stadium

Opened in
15 June 2020

Part Three

QFMA's Membership Locally & Internationally

3

QFMA's Membership Locally

First: Joint Local Committees and Working Groups among QFMA, QCB, and QFCRA.

1. Financial Stability and Risk Control Committee (FSRCC)

The FSRCC has two sub-committees in which QFMA is represented, namely:

- Supervisory Committee: relating to supervisory and precautionary affairs
- Financial Stability Committee: relating to monetary policy affairs, risks and financial stability

2. Financial Sector Strategy Working Group:

Second: The Key Local Committees and Working Groups:

1. The National Anti-Money Laundering and Terrorism Financing Committee (NAMLC)
2. Single Window Working Group.
3. Working Group for Implementing Qatar Financial Sector Information Security Strategy
4. Investment, Energy and Infrastructure Committee

QFMA's Membership Internationally

QFMA is a member of a number of regional and international organizations, namely:

International Organization of Securities Commissions (IOSCO)	Association of National Numbering Agencies (ANNA)	The Union of Arab Securities Authorities (UASA)	The Islamic Financial Services Board (IFSB)
Madrid	Frankfort	Dubai	Kuala Lumpur

1. International Organization of Securities Commissions (IOSCO):

QFMA became an IOSCO member in 2013 and gained the Ordinary Membership. QFMA joined several of the IOSCO key Committees, including:

- Presidents Committee
- Growth & Emerging Markets Committee (GEMC)
- Africa / Middle-East Regional Committee (AMERC)
- MMoU Monitoring Group

2. Association of National Numbering Agencies (ANNA):

QFMA signed a partnership agreement with ANNA on 2013 and joined its membership in 2015. This step was for the purpose of applying the international best practices in developing financial markets, providing whatever to achieve stability and transparency and protecting dealers in securities, especially those relating to facilitating trading.

3- The Union of Arab Securities Authorities (UASA):

QFMA has been a founding member UASA since 2007. QFMA is keen on actively participating in the Union's activities, implementing its strategic objectives, and attending the regular meetings, as well as organizing and hosting the Union's training programs.

4- The Islamic Financial Services Board (IFSB):

QFMA has become an associate member of the IFSB since 2011 as with membership of both QCB and QFCRA.

Ahmed Bin Ali Stadium

Opened in
18 December 2020

Part Four

QFMA's Performance & Statistics

4

QFMA's Performance & Statistics

The QFMA has been able to complete many initiatives, works and activities during 2021, which are in the context of strengthening and consolidating its mission in the presence of a strong and competitive regulated capital market in Qatar, capable of attracting and stimulating local and foreign investments, and keeping pace with global developments.

The Corona pandemic repercussions and its continued impact on various sectors and activities did not deter the QFMA from continuing its efforts.

Issuance of rules and regulations related to the capital market and dealing in securities

QFMA is very keen to have a regulated Qatari capital market that keeps pace with global developments and is based on international standards, in line with the needs of the Qatari market, in terms of achieving its regulatory objectives, stimulating local and foreign investments, and providing protection for investors in an attractive environment that meets their needs and aspirations.

In this context, the QFMA is working hard to maintain the stability, integrity and transparency of the Qatari capital market, which is the main element and the driving force to attract investments and ensure their success.

Legal Legislation:

First: The decisions issued by QFMA during 2021:

1. QFMA's Board Decision No. (1) Of 2021 Concerning the Amendment of Some Provisions of Margin Trading Rules
2. QFMA's Board Decision No. (2) Of 2021 Concerning Addition of Requirements to Grant a License for Offering Manager and Listing Advisor

Second: International Cooperation in the Field of Legislation:

The QFMA, in conjunction with the General Secretariat of the Gulf Cooperation Council, has carried out the following:

1. Reviewing the draft agreement for the inter-registration of financial products among the GCC financial market regulators, in coordination with the General Secretariat of the GCC.
2. Preparing and discussing a draft of the inter-licensing on promoting investment fund units among the GCC countries, in coordination with the General Secretariat of the GCC.
3. Conducting coordination meeting of GCC fund specialists and legal specialists.
4. Preparing the final draft of the regulatory framework for the inter-registration of financial products among the GCC financial markets regulators, in partnership with the legal and technical specialists' work team.

Enforcement:

This process is the necessary next step for the approval of legal legislation, and to ensure its follow-up and implementation on the ground, as the law enforcement process ensures that the goals and objectives that the QFMA is working to achieve through the development and approval of legislation.

Accordingly, the QFMA shall do the following:

1. Publish the QFMA's legislative tools in the Official Gazette in coordination with the relevant department at Ministry of Justice.
2. Follow up the implementation of QFMA's penal decisions against violators.
3. Collect the fines from violators.

Licensing the Individuals and Companies to Perform a Regulated Function and Activities

QFMA, through Licensing Department, receives and considers applications for granting and renewal licenses of financial markets activities including financial operations and services conducted by a regulated financial market, a depository, a clearing company, or a financial services company, and other entities subject to the QFMA's jurisdiction.

The Department also receives and considers the applications for approved individuals for performing the regulated functions by granting licenses or approval. In addition to the registration application for external auditors and financial evaluators who are eligible to work to the listed entities or entities subject to the QFMA's jurisdiction.

The requirements, controls, procedures for granting licenses and the standards of practicing the activity shall be determined according to regulations, rules and decisions issued by the QFMA's Board pursuant to the provisions of the Law.

The Financial Services Rulebook has been amended, by adding requirements to be fulfilled in the following functions in Appendix Three of such Rulebook:

Requirements to grant a license for Offering/Issuing Manager

For granting a license to perform the tasks of Offering/Issuing Manager, the following shall be met:

1. Shall have at least a financial analyst, who has academic qualifications and work experience to carry out the assigned duties for not less than five years in the field of finance or any relevant specialized field.
2. The Offering Manager licensed by another regulator may perform the activity of securities' issuance management after the Authority's approval.

Requirements to grant a license for Listing Advisor

For granting a license to perform the tasks of Listing Advisor, the following shall be met:

1. Shall have at least one employee who has academic qualifications and work experience to carry out the assigned duties and shall be approved by the Authority.
2. Regarding Listing Advisor in the Second Market, it may be a company, or any other legal entity qualified to perform the advisor's tasks and approved by the Authority, and it may conduct its business from an office in the State.

When performing the activity of Listing Advisor or Offering/Issuing Manager, the following shall be met:

1. Compliance with the tasks and controls stipulated in Offering & Listing of Securities on the Financial Markets Rulebook.
2. Shall be independent from the Issuer applying for listing and shall not have any interest in the Listing process, as well Listing Advisor or Senior Management, Senior Executive Management or its major shareholders shall not have any interest or relationship that may affect the objectivity and impartiality in its actions and decisions.
3. The provisions of independence set forth in item (2) above shall apply on any sub-Advisor that provides services related to Listing including auditing, legal services, asset evaluation and other services.

Financial Services Companies:

During 2021, (10) licensing applications were submitted from different companies, distributed as follows:

- (1) Application of licensing new financial services activities for existing financial services companies.
- (3) Applications of licensing new financial services activities for new companies.
- (5) Applications of licensing renewal for financial services activities.
- (1) Application of licensing for a broker agent.

External Auditors and Financial Evaluators:

During the year 2021, the QFMA received the following:

- (2) applications for registration of external auditors at QFMA's' list for the first time.
- (9) applications for registration renewal of external auditor at QFMA's list.
- (4) applications for registration of financial evaluator at QFMA's' list for the first time.
- (10) applications for registration renewal of financial evaluator at QFMA's list.

Approving Individuals to Perform a Regulated Function

Many applications for these functions were received in its three categories. During 2021, the QFMA received (72) applications, including (33) license renewal applications, and (39) new approval applications, as follows:

Type of Application	No.
Approval of applications	18
License renewal of approved individual at the regulated function	33
Withdraw by the applicant	3
Under consideration and requirements fulfillment	17
Refusal due to non-fulfillment of regulatory approval requirements	1
Total	72

QFMA's E-Services for Licensing:

QFMA provides E-services via its official website, its phone application and via "Hukoomi" website, as it began to provide the service of submitting applications of all kinds electronically, including licensing renewal application for individuals to perform regulated functions in financial services companies.

During 2021, QFMA has received (100) E-services applications, as follows:

- (4) applications for licensing financial services activities.
- (5) applications for licensing renewal of financial services activities.
- (39) applications for approval of individual in the regulated functions.
- (33) applications for licensing renewal of approved individual in the functions licensed by QFMA.
- (9) applications for registration renewal of external auditor.
- (10) applications for registration renewal of financial evaluator.

Individuals Approved by the QFMA during the year:

Position (Job Title)	2021
Board Member	2
Financial Manager	1
Compliance Officer	3
Anti-Money Laundering Officer Deputy (deputy MLRO)	2
Risk Management Officer	1
Financial Analyst	1
Investment Manager	2
Broker Representative	3
Custodian Representative	3
Total	18

Applications Submitted to Licensing Department

Application	No.
Licensing activities for existing financial services companies	1
Licensing activities for new financial services companies	3
Licensing renewal for financial services activities	5
Registration renewal for external auditor and financial evaluator at QFMA's list	19
Registration for external auditor at QFMA's list	2
Registration for financial evaluator at QFMA's list	4
Registration renewal for external auditor at QFMA's list	9
Registration renewal for financial evaluator at QFMA's list	10
Licensing for a broker agent	1
Applications of licensing renewal for a financial services activity via QFMA portal	5
Applications of Licensing for approved individual at the regulated function via QFMA portal	39
Applications of Licensing renewal for approved individual at the regulated function via QFMA portal	33
Total	131

Inspection and Surveillance over Financial Services Companies

Inspection & Surveillance Department is responsible for verifying the compliance of the financial services companies with Law No. (8) of 2012, as amended by Decree-Law No. (22) of 2018, QFMA Regulation, rules and instructions issued pursuant thereto. The key functions of the department are inspection, financial analysis, and surveillance over financial service companies:

Inspection:

During 2021, inspections were conducted on (8) financial services companies by (17) inspection visits (periodic & sudden). The inspection team notes included a number of companies' violations of organizational and financial matters deemed a breach of the law and instructions issued, including the following:

- Providing false or misleading information to QFMA.
- Failure to keep accounting records in accordance with international accounting standards.
- Failure to comply in acting on behalf of clients to implement the orders received from them.
- Failure to comply with the fees and commissions determined by QFMA.
- Having some company's employees performed tasks without a license.
- Failure to comply with settling the purchase value before entering the client's purchase order.
- Failure to be meticulous and to verify the client identity before any transaction on his account.

First: Periodic Inspection:

Periodic inspections have been conducting over (7) financial services companies (on-site & remotely), and reports have been submitted thereon. The key results of such reports are as follows:

- Requesting comments of (7) financial services companies on (27) inspection remarks considered as if they were violations of the Law, regulations or instructions issued pursuant thereto, included the companies' organizational and financial issues.
- After reviewing such views regarding the inspection notes, the following actions were recommended to be taken, including:

1. Referring (5) companies to the Investigation Committee regarding (19) notes considered violations of the Law, regulations or instructions issued pursuant thereto.
2. Accepting (3) companies response regarding (4) inspection notes.
3. Directing a warning for (3) companies on (3) inspection notes.
4. Emphasizing on (3) companies on 3 inspection notes.

Second: Sudden Inspection:

(8) financial services companies have been inspected, where necessary inspection results reports have been submitted thereon, and (4) companies have been emphasized to comply with the QFMA's legislations.

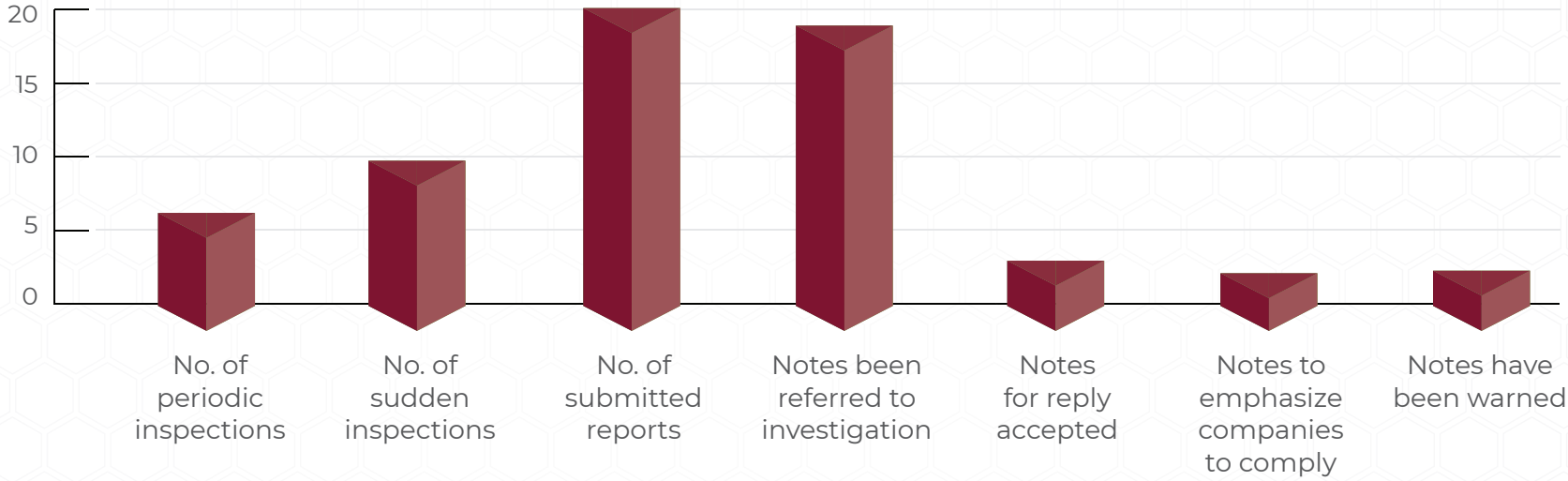
The key works conducted by the Inspection Section during the year:

1. considering and analyzing the calculation of net liquid capital ratio audited by the external auditors of the financial brokerage companies in order to verify its calculation, as the necessary meetings were held, and the necessary correspondences were completed.
2. considering and analyzing the bank expenses and fees associated with bank transfers between the accounts of brokerage firms and the accounts of their clients, in order to ascertain the cost to the brokerage firms and their clients upon bank transfer, and cooperate with the Central Bank in this regard.
3. Referring some employees of financial brokerage companies for investigation, due to performing some functions might be considered violations of the QFMA's Law and regulations issued pursuant thereto.
4. Cooperating with the Anti-Money Laundering and Terrorist Financing Section and referring some clients' files to take the necessary action on their part.
5. Cooperating with the Trading Surveillance Section, carrying out joint inspection visits and preparing the necessary regarding them.
6. Preparing other reports related to the inspection over financial services companies included remarks might be considered violations of the Law, regulations and instructions issued pursuant thereto and submitting the necessary reports thereto.

The table below shows the inspection statistics during the year:

Item	No.
No. of companies	8
No. of periodic inspections (on-site & remotely)	7
No. of sudden inspections	10
No. of submitted reports	21

Key Inspection Results in 2021



Financial Analysis for Financial Services Companies:

First: Capital Adequacy:

(13) reports have been submitted regarding the capital adequacy of financial service companies (licensed for execution of securities purchase or sale's orders for others). Such reports include companies' violations of Capital Adequacy Standards, and companies' views in this regard, where QSE provides QFMA with a weekly report, and it was recommended to refer 2 companies to the investigation due to violations of Capital Adequacy Standards.

The Department also monitored the capital adequacy of the violating companies by holding the necessary meetings and directing the necessary correspondence in order to avoid such violations

Second: Periodic Financial Statements:

(4) reports were submitted on the quarterly financial statements, analyzed and compared with previous period, in addition to material notes were directed to some companies regarding their quarterly financial statements to verify that they are not in violation of the QFMA's Law, regulations and rules issued pursuant thereto.

Financial Services Companies' Application for Exemption from Prefunding Requirement:

The project of submitting application for exemption from prefunding requirement via the QFMA portal was implemented in cooperation with the Information Systems Department, whereby the QSE, through its representatives, submits applications for brokerage companies to grant their investors an exemption from prefunding requirement after verifying the completeness of the documents.

The Inspection Section considered a number of such applications for exemption from prefunding requirement and submitted the necessary reports thereon.

Surveillance over Trading and Investors Protection

The QFMA, through surveillance over trading, aims to ensure the integrity and transparency of dealing in securities aiming to protect investors in securities from unfair or improper practices.

The Surveillance Section monitors the daily trading operations to ensure their integrity, in terms of compliance with the rules and procedures regulating the market and tracking all suspicious operations as well disclosing any manipulative or improper, or fraudulent transactions, and this is done through:

- Following up price movement and trends through the QSE price display screen.
- Real-time following-up of the entered orders to ensure their integrity in terms of compliance with the rules and procedures regulating the market.
- Monitoring trading, tracking all suspicious transactions, and preparing reports thereon.
- Providing daily and periodic reports on the market dealers.

Performance of Trading Surveillance Section during 2021:

- participate and follow up implementation of Business Continuity Plan "BCP" of the QSE and QCSD.
- Complete phase 1 of the project to develop the insiders control system in listed companies and board members in coordination with Information System Department and QCSD.
- The Trading Surveillance Section submitted (13) reports during the year, as follows:
  - (3) Reports on suspicious influence on the company's stock price.
  - (3) Reports on considering the increases of (volumes or prices) of listed companies.
  - (4) Reports on intra-operations (between two shareholders).
  - (3) other reports.

Corporate Governance and the Entities Subject to QFMA's Jurisdiction

Governance is the system by which a company is directed and controlled. The governance specifies the foundations and principles of the distribution of rights and responsibilities among the different participations in the company – such as the Board of Directors, managers, shareholders and other Stakeholders – and spells out the rules and procedures for making decisions of the company's affairs.

The Corporate Governance Section at QFMA is responsible for monitoring the compliance of the companies and entities subject to QFMA's jurisdiction with corporate governance principals, receiving corporate governance reports and ensuring that they are issued at the required time. The section is also reviewing and evaluating the governance reports, and ensuring their fulfillment of the procedures, and the information and data required according to Governance Code for Companies & Legal Entities in the Main Market issued by QFMA's Board Decision No. (5) Of 2016 (CG Code).

Statistics of Governance:

The overall compliance percentage of all companies with the articles of the CG Code for 2020 reached 90% with an increase of 2.4% over 2019 which was 87.6%.

The compliance percentage of the companies with the CG Code are as follows:

- (29) companies with compliance of 90% or more.
- (14) companies with compliance of 80% to 90%.
- (4) Companies with compliance of 70% to 80%.

Governance reports were prepared by sectors, which show the percentage of listed companies' compliance with the articles of the CG Code. The highest compliance percentage was in the transportation sector 96%, while the lowest compliance percentage was in the real estate sector 82%.

The compliance percentages by sector are as follows:

Sector	Percentage
Banks & Financial Services	90%
Customer Goods & Services	93%
Industrials	86%
Real Estate	82%
Insurance	88%
Telecoms	95%
Transportation	96%

Regulating and Following up Companies Disclosure

Disclosure means that each issuer of any of the securities listed and traded on the Market shall immediately notify the QFMA about immediate and periodic information and about any events or information that may affect the securities prices.

Disclosure divided into two parts:

1. Immediate Disclosure:

QFMA, through Disclosure Section, has followed up the immediate disclosures of all companies subject to its jurisdiction to ensure their compliance with disclosure and governance principles, which contributes to keep the investors informed of all investment information in a timely manner without delay. The violations related to the delay of immediate disclosure were identified and all necessary procedures were taken accordingly.

2. Periodic Disclosure:

QFMA encourages companies to fulfill periodically the requirements of disclosing their basic data and financial statements, in line with applicable international standards in this regard.

Disclosure is one of the important requirements imposed by the QFMA and the obligation to implement it, because this would contribute to achieving fairness and transparency by publishing information related to the company, and ensuring that there is no conflict of interest, or exploitation of inside information.

• Basic Data

QFMA enhances the compliance culture of the companies through encouraging them to provide QFMA with basic data twice a year, which have a key role to assess companies' compliance with the disclosure rules.

The basic data consists of several data such as information of Boards members of companies, Board secretary, articles of association, commercial register, and other documents necessary to facilitate the internal role of the QFMA's departments.

QFMA received the updated basic data for all (48) companies listed in the main market, (2) companies listed in the second market, (2) investment funds, (19) financial services companies in addition to QSE and QCSD, and (18) companies of external auditors and financial evaluators twice during 2021.

• Financial Statements

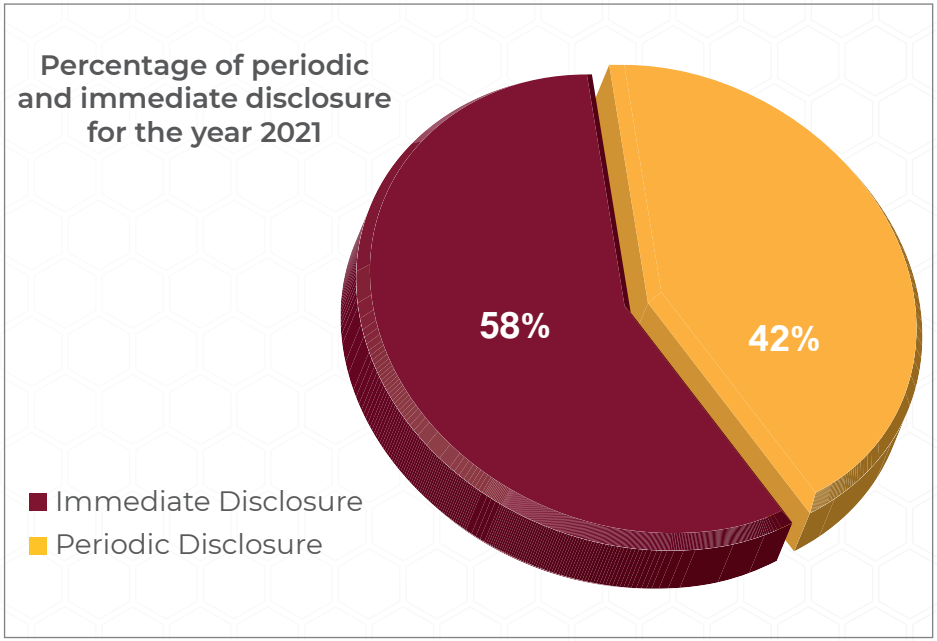
QFMA conducted a review of the companies' financial statements verifying their compliance with the disclosure requirements, the extent of their compliance with the international accounting and auditing standards, their analysis of the financial periods and followed-up such companies to provide the QFMA with their statements within the allowed period as well as prepared reports with the appropriate recommendations thereon.

The number of listed companies that complied with disclosure of their 2021 annual financial statements as per the legislation in force were (47) companies listed in the main market and (2) listed in the second market, in addition to (2) investment funds as well as (18) financial services companies.

The 2021 Notification & Disclosure Cycle

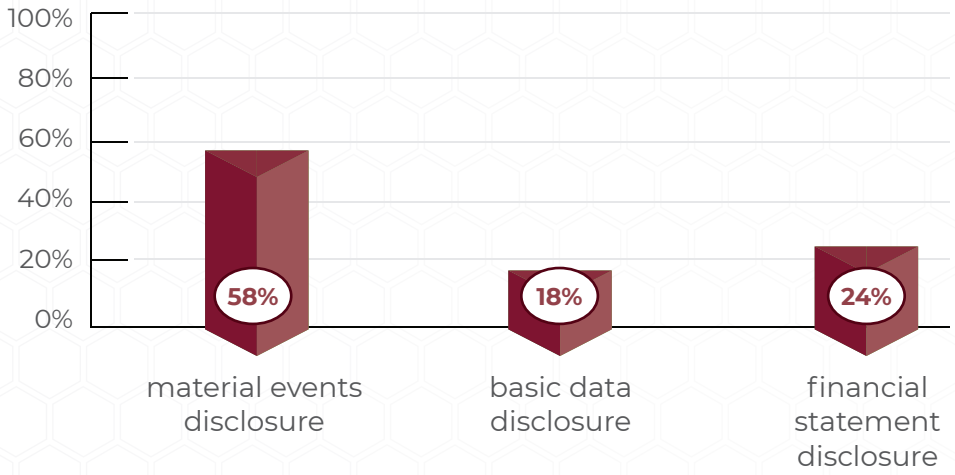
QFMA received (1936) disclosures and notification for 2021, as follows:

1. (457) financial statement disclosures.
2. (361) basic data disclosures.
3. (1118) material events disclosures.



The highest percentage of immediate disclosure was 58%, while of periodic disclosure was 42% for 2021.

The Percentage of Disclosure for 2021



- The highest percentage of disclosure for 2021 was on material events, by 58%, whereby QFMA is to be notified of immediately;
- It is followed by disclosure of financial statements by 24%, whereby QFMA is to be notified of four times a year;
- Next is disclosure of basic data by 18%, whereby the QFMA is to be notified of twice a year.

Regulating and Supervising Offering & Listing Applications:

QFMA considers and follows up all relating to offering and listing issues to ensure compliance with the relevant legislation, laws and regulations. It also considers the applications submitted for offering and listing on QSE. The offerings and listings completed during 2021 reflect investors' confidence in the Qatari economy and the rapid recovery from the effects of the global Covid-19 crisis during 2020.

In order to achieve the QFMA's objectives that support its strategy, it has worked on developing Offering & Listing of Securities Rulebook, which has been in force since April 2021, as it included many facilities and factors that give the offering and listing operations ease and confidence in the stock market in the State of Qatar.

The key issues included in the new rulebook, for example, but not limited to, are the standardization of both offering and listing of securities rulebooks (main market and second market) into one rulebook called "Offering & Listing of Securities on the Financial Markets Rulebook"; addition of articles regulating the private offering process, easing the requirements of public offering and the possibility of direct listing, and regulating the securities marketing and promotion, development of a book building mechanism and a price stability mechanism for shares, and updating disclosure requirements. In order to facilitate the listed companies, the Rules for Employees' Incentive Shares Purchase of Listed Shareholding Companies have been updated.

The key Offering and Listing Activities during 2021:

• Listing two companies in the second market (venture market):

The first two companies were listed in the second market, namely:

1. Al-Faleh Educational Holding Company: provides educational services from kindergarten to postgraduate, with market value reached (372) QR million at the end of the year.
2. Mikdam Holding Group: provides comprehensive integrated services in the field of information and communication technology, including, consultation and development, technical consultancy, supply, implementation, and management projects and programs, support and maintenance, with market value reached (347.750) QR million at the end of the year.

• Listing a company in the main market:

This year also witnessed the listing of QLM Life & Medical Insurance Company QPSC ("QLM"), the leading life and medical insurance company in Qatar, as well as reinsurance for life and health insurance issued outside Qatar, with market value reached (1.768) QR million at the end of the year 2021.

Offering and Listing Activities during the year:

- Listing of the QLM Company in the main market.
- Listing Al-Faleh Educational Holding Company in the second market.
- Listing of Mikdam Holding Group in the second market.
- Following up on the listing of the first gold fund in Qatar.

Offering & Listing in the Market during the year:

Type of Requests	No.
Listings	3
Capital increase	1
Total	4

Supervising the Acquisitions and Mergers of Listed Companies

2021 witnessed the largest merger in the Qatari market between Masraf Al Rayan and Khaliji Bank, resulting in one of the largest Islamic banks in Qatar and the region. The value is over QAR180 billion in total assets (49 USD billion), and over QAR 23 billion of total equity (6.3 USD billion).

Investment Holding Group also announced its proposal to acquire Elegancia Group Holding, by increasing the group's capital through an exchange of shares transaction "acquisition". Elegance Group Holding LLC includes more than 20,000 employees, and it is currently developing two hospitals in the State of Qatar. Elegancia's portfolio includes several companies in the Qatari market that operate in the following sectors:

- Healthcare services and hospitals.
- General services.
- Industries.
- Contracting.

2021 witnessed (12) applications on acquisition and merger activity.

Summary of Acquisitions & Mergers during the year:

- (5) acquisitions were submitted during 2021.
- (5) acquisitions and (2) mergers were followed-up from 2020.

The details of such transactions during the year:

First: Acquisitions and Mergers

(5) Acquisitions and Mergers submitted during 2021, as follows:

Transaction	Sector	%	Value in QR Million
An indirect acquisition in the State (under process)	Transportation	100%	35
A direct acquisition outside the State (withdrawn)	Banking & Financial Services	15.2%	467.5
An indirect acquisition in the State (under process)	Industrials	40%	1,935
An indirect acquisition outside the State (under process)	Industrials	24%	-
A direct acquisition in the State (under process)	Industrials	100%	-

Second: (7) Acquisitions and mergers previously submitted and then followed up in 2021, as follows:

Transaction	Sector	%	Value in QR Million
An indirect acquisition outside the State (withdrawn)	Transportation	-	-
A direct acquisition in the State (withdrawn)	Industrials	-	-
A direct acquisition in the State (completed)	Real Estate	91%	400
A direct merger in the State (completed)	Banking & Financial Services	100%	7,884
A direct merger in the State (withdrawn)	Real Estate	-	-
An indirect acquisition in the State (completed)	Banking & Financial Services	49%	26
An indirect acquisition outside the State (completed)	Industrials	72%	227
Total			8,537

ISIN of Securities:

QFMA, as a member, follows all requirements issued by Association of National Numbering Agencies (ANNA). It also issues International Securities Identification Number (ISIN) and Classification of Financial Instruments code (CFI) for all securities listed on the Qatar Stock Exchange.

ISINs

During 2021, QFMA issued (36) ISIN of treasury bills, (7) ISIN of debt bonds, and (3) ISINs for equity.

QFMA's role in Anti- Money Laundering and Combating Terrorist Financing (AML/CFT)

AML/CFT is one of the most important responsibilities of the QFMA which comes out of its role in protecting the Qatari capital market from any potential AML/CFT risks.

As a member of the National Anti-Money Laundering and Terrorist Financing Committee (NAMLC), the QFMA exerts more efforts to raise awareness in the field of AML/CFT for all individuals and entities subject to its jurisdiction and to people working in the private capital market sector in Qatar.

QFMA gives more concern to combat money laundering and terrorist financing. To this end, it strengthens its efforts to monitor the compliance of all stakeholders in the Qatari capital market sector with AML/CFT, which contributes to consolidating Qatar's permanent compliance and addressing all forms of illicit financing.

First: Surveillance and Inspection:

As a part of the QFMA's regulatory and supervisory role through its continuous monitoring of the performance of all entities subject to its jurisdiction and the evaluation of the effectiveness of their policies, procedures and systems, it promotes its procedures aimed at verifying the compliance of such entities with its instructions, legislation and regulations to protect them from any risks. The QFMA's activities in this regard as follows:

- Follow up on the office inspection of all the licensed parties, study and analyze the data received from such parties and use the findings by the on-site inspection team on the licensed party.
- Follow-up on on-site inspection of the licensed parties based on the risk-based approach, as follows:

Inspections related to AML/CFT	No.
No. of companies	6
No. of periodic inspections	5
No. of sudden inspections	4
No. of submitted reports	94

- Based on the inspection reports and the procedures duly followed by them, (2) companies have been referred for investigation.
- Continue to follow up on the licensed parties to correct their deficiencies regarding the AML/CFT requirements, and to develop corrective plans therefor.
- Follow up, consider and analyze the AML/CFT periodic data and statistics required from the licensed parties, and prepare recommendations therefor.

Second: Anti- Money Laundering and Combating Terrorist Financing (AML/CFT)

• **As part of the QFMA's role in raising awareness among licensed parties in compliance with the AML/CFT requirements and reducing their risks,** by providing guidance and feedback to licensed parties subject to the provisions of AML/CFT legislation, specialized workshops and training were held in this field, the most important of which are:

- On February 10, 2021, in cooperation with the Union of Arab Securities Authorities (UASA), QFMA participated in a webinar entitled "Financial Crimes: Key Concepts and Current Trends".
- On February 16, 2021, a letter was issued to the licensed parties to clarify the application of the provisions of Paragraph (C) of Article 4.1.2 of the Anti-Money Laundering and Terrorist Financing Rules.

- During February 2021, in cooperation with Chartered Institute for Securities and Investment (CISI), QFMA provided specialized training in AML/CFT to licensed parties and other parties. The training combined regulatory and supervisory knowledge together with professional training experience through the development of an electronic professional assessment module for the Qatari capital market, including AML/CFT international principles and regulations, as well as the AML/CFT legislations of the State of Qatar. Qatar is the second country to use this digital learning module after the United Kingdom.
- On March 29, 2021, in cooperation and coordination with Financial Information Unit (FIU), Terrorist Financing Indicators Guidance was circulated to licensed parties, in order to enhance and raise awareness of understanding what is or could be unusual or suspicious case and help identify relationships between individuals and entities and determine significant events the possible existence of terrorist financing related activity.
- On March 30, 2021, in cooperation with FIU, a workshop was held for licensed parties remotely entitled "Promoting awareness among licensed parties of the executive requirements of the Anti-Money Laundering Law No. 20 of 2019, including targeted financial sanctions."
- On June 23, 2021, in cooperation with the FIU and under the umbrella of Forum of the Public-Private Dialogue, a remote workshop was held entitled "The Covid-19 Pandemic Impacts and the Trends Observed by the Unit in Reporting."
- On November 8, 2021, in cooperation with the FIU and under the umbrella of Forum of the Public-Private Dialogue, a remote workshop was held entitled "Trends Associated with the Fraud Crime under Covid-19 Pandemic".
- QFMA's circular to the licensed parties the letters of the National Anti-Money Laundering and Terrorist Financing Committee (NAMLC), the National Counter Terrorism Committee (NCTC), and the decisions of the Public Prosecutor to be circulated to the licensed parties.
- Urging all licensed parties to register on the NCTC website in E- Notification Service for Sanctions List Updates (Designation/ amendment / cancellation), as the registration was done by all licensed entities.
- Holding bilateral meetings with the licensed parties upon their request or QFMA request, to clarify and explain the AML/CFT requirements, as well as to assist them in making the required corrections that were identified by QFMA.

Key Measures taken by QFMA to monitor the Effectiveness of the licensed parties' compliance with the legislative AML/CFT requirements:

- Following up the annual report submitted by the Money Laundering Reporting Officer (MLRO) in all licensed parties regarding the appropriateness and effectiveness of the AML/CFT policies, procedures, regulations and controls followed in the licensed party to prevent such crimes, as well directing letters and holding meetings for licensed parties to correct their deficiencies.
- Monitoring the effectiveness of the licensed parties to control suspicious transactions, as such parties shall submit special periodic reports four times a year, including the number of internal and external suspicious transactions, their followed procedures and internal regulations in controlling suspicious transactions.

- Monitoring the licensed parties regarding their compliance with fulfill requirement of the provisions of Article 4.1.2 item (C) of AML/CFT Rules issued pursuant to QFMA's Board Decision No. (1) of 2020. Weekly bilateral meetings were held with companies to follow-up of their statements in this regard, where (3) companies have complied with fulfilling the bank account statement for active accounts, while three other companies are still being worked on to do so.
- Following up the annual report submitted by the licensed party's auditor regarding compliance with the AML/CFT requirements and his recommendations.

• **The continue in reviewing the licensed parties' risk rating**, which assists the inspection team in directing its resources and intensify supervision and on-site inspection towards the high-risk licensed entities through the periodic inspection schedule that includes a five-grade rating as follows:

- High and medium-high: requires at least twice a year.
- Medium: requires at least once a year.
- Medium-low and low: requires at least once in two years.

This rating is not fixed, as it is reviewed periodically, and when necessary material information appears that occurred in the licensed party that affects this rating.

• **Achieving the relevant objectives specified in the action plan to implement the national strategy to combat money laundering and terrorist financing,** within the time periods specified in the plan.

• **Feeding Qannas system** (Qatar's Network against Money-Laundering and the Financing of Terrorism and financing proliferation system), periodically and during the periods specified for that.

Receiving Complaints

QFMA aims to maintain confidence in the financial markets dealing system and protect security owners and dealers in a manner that ensures the stability of the financial markets and reduces the risks thereof. Therefore, QFMA depends on the impartiality and integrity principals in considering violations and submitted complaints.

During 2021, the Complaints Department received (34) complaints, classified as follows:

(11) Complaints Against Financial Services Companies:

These complaints relate to issues on the relationship between the investor and the financial services company (brokerage) licensed by QFMA.

(21) Complaints Against Listed Shareholding Companies:

some of these complaints relate to non- disclosure of information by an employee of a listed public shareholding company in the general assembly meeting and to the list of insiders.

(1) Complaint Against Entity Subject to the QFMA's Jurisdiction

(1) Complaint does not fall under the QFMA's jurisdiction

Statistics of Complaints

Complaints	No.
No. of complaints	34
Complaints adjudicated	32
Complaints still pending	2

The Investigation of Violations

Within the QFMA's Complaints Department, the Investigation Section considers all violations referred by the Chief Executive Officer. In this context, the Investigation Committee, which includes members from outside the Department, conducts the necessary investigations for the cases before it, and comes up with appropriate recommendations according to the requirements of each case.

During 2021, (27) investigations were conducted, as follows:

First: (12) investigations related to the violations attributed to some financial services companies operating in the market and licensed by QFMA, due to the results of inspections carried out by the QFMA's inspection team over those companies. The violations are as follows:

Subject of the Investigation
Violation of Article (26 item 1) and Article (31) of Financial Services Rulebook.
Violation of Articles (26 items 1, 10, 12 and 13), (31) and (61 item 1 Paragraph C), of the current Financial Services Rulebook, and Articles (3 + 5) of the appendix II.
Violation of Articles (31) of the Financial Services Rulebook and Articles (11), (14), (15), (16) of Margin Trading Rules
Violation of Articles (31), (38), (45), (50, item 1), (56), and (64) of Financial Services Rulebook, and a violation of Articles (3), (4), (5) of Appendix Two of Financial Services Rulebook, and QFMA Circular No. H.Q/T T/K/146/04/2016 on April 7, 2016, and QFMA letter No. QR-65-2019 on June 11, 2019 regarding due diligence to verify the customer identity.
Violation of Article (33) of Law No. (8) of 2012 regarding the Qatar Financial Market Authority, Article (91 items A and B) of QFMA Regulation, and Articles (26 items 2 and 9), (28), (31) (45 item 7) (49 Paragraph 4 item B), (52 item 1), (56 item 3), (64) of Financial Services Rulebook, and for Article (6) of Appendix II of the same Rulebook, and Article (20) of Complaints procedures, and QFMA Circular No. (2 of 2013).
Violation of the provisions of Articles (4.1.1), (4.2.1), (4.3.7 item 3) of AML/CFT Rules
Violation of articles (26 items 1, 6, 8 and 14), (27 items 1, 2 and 3) of the current Financial Services Rulebook by a company employee and a violation of Article (32) of the same Rulebook by the company
No violation
Violation of QFMA Circular No. TR-65-2019 on June 11, 2019, regarding verifying the identity of the friend of the customer holding the account.
Violation of provisions of Articles No. (26 item 2), (27 items 2 and 3), (31), (32) of Financial Services Rulebook, and Articles No. (4), (5) of Appendix II of the same Rulebook.
Violation of Article (91 item B) of QFMA Regulation and Article (50 item 1) of the Financial Services Rulebook.
Registering the incident in violation of Article (41) of Law No. (8) of 2012 regarding the Qatar Financial Markets Authority, Article (91 item B) of QFMA Regulation, and Articles (46 item 1), (48 item 1) of Financial Services Rulebook and Article (3 item A) of Capital Adequacy Standards.

Second: (8) investigations related to the violations attributed to some public shareholding companies listed on QSE, as follows:

Subject of the Investigation
Violation of Articles (47 item 1), (56) of Securities Offering & Listing Rulebook
Violation of Article (6,7 and 11) of the QSE Rulebook, Article (111 item 2) of the current Securities Offering & Listing Rulebook, and Circular No. 7 of 2010 issued by the Market Operations Department on September 30, 2010 in the same regard, and Circular No. 1 of 2016 issued by QSE in the same regard.
Final List of Candidates
Violation of Article (7) of the Regulatory Rules & Procedures Concerning Allowing Companies to Buy their Own Shares (Buy Back)
Final List of Candidates
Violation of the Governance Code for Companies & Legal Entities Listed on the Main Market
Violation of the Corporate Governance Code for Legal Entities Listed on the Main Market
Violation of the provisions of Articles (79), (81) of Offering & Listing of Securities Rulebook issued by the QFMA.

Third: (7) investigations attributed to the entities subject to QFMA's jurisdiction:

Subject of the Investigation
Violation of Article (173) of the Old Market Regulations
Violation of the provisions of the Rules for External Auditors and Financial Evaluators of Listed Entities & Entities Subject to the Authority's Jurisdiction.
Approval of individuals subject to QFMA's jurisdiction by QCSD
Violation of the provisions of the Rules for External Auditors and Financial Evaluators of Listed Entities & Entities Subject to the Authority's Jurisdiction.
Violation of Articles (8) and (9) (item d and f) of Rules for External Auditors and Financial Evaluators of Listed Entities & Entities Subject to the Authority's Jurisdiction.
Violation of Articles (19) of Rules for External Auditors and Financial Evaluators of Listed Entities & Entities Subject to the Authority's Jurisdiction.
Violation of the provisions of Article (33 item 3) of Law No. 8 of 2012 and the provisions of Article (91 item a) of the QFMA's Regulation, and in violation of Articles (4.2.1), (4.2.2) and part 4.3 and the provision of Article (2.3.9 item 2), Article (2.1.1 item 6) and Paragraph (C) of the provisions of Article 4.1.2 of the AML/CFT Rules.

General Summary:

During 2021, the total number of investigations were (27):

Item	No.
Cases referred to Disciplinary Committee	13
Cases kept	6
Cases adjudicated by settlement	1
Cases adjudicated by warning	2
Cases adjudicated by Cautioning	4
Others	1
No. of investigations	27

After the Investigation Committee completes considering the facts of violations, complaints and appeals, they shall be referred to the CEO of the QFMA, to take the appropriate decision in this regard. If it is referred to the Disciplinary Committee, the Committee shall, based on the facts, subject and nature of the violation, and after adequate consideration and deliberations, take the appropriate decision, then inform the concerned party, to decide in turn whether to appeal the Disciplinary Committee's decision before the Appeals Committee, or abide by the decision and the penalty that was approved.

Disciplinary Committee

The Committee issues its decisions by a majority of votes based on the submitted evidence and documents, and for violators to lodge a complaint with the QFMA's Appeals Committee with the decision of the Disciplinary Committee within fifteen days from the date of receiving the decision, or as determined by the committee in announcing the decision.

During 2021, the Committee held (9) sessions, considered (19) violations, including previous unresolved violations from 2020.

The total amount of the violations approved by the Committee during 2021 was (Milion QAR 11.3).

Statistics of Disciplinary Committee during the year

Item	No.
No. of violations referred	19
No. of hearings	9

Appeals Committee

Pursuant to Articles (37) and (38) of the QFMA Law No. (8) of 2012, the Committee shall have the power to decide appeals of punitive decisions issued by the QFMA, and its decisions shall be final and reasoned. Concerned parties may challenge these decisions before the competent circuit of the Court of Appeals.

The key works of the Committee during 2021 as follows:

Item	No.
Appeals carried over from 2020	2
Appeals that registered in the appeals record	15
Requests of a stay of QFMA proceedings submitted to the Committee	14
Appeals referred by the court to be adjudicated	0
Total of appeals and requests of a stay of QFMA proceedings considered by the Committee	31
Total of appeals and requests of a stay of QFMA proceedings adjudicated	26
No. of the Committee hearings	6
No. of the Committee meetings	12

Risk Management and Reduction

QFMA aims to protect investors and the dealers in the financial markets, and to maintain confidence and ensure stability of such markets and their dealing systems, by identifying, analyzing and evaluating the risks of QFMA works and financial markets risks to reduce them thereof.

The Unit, through the Crisis Management Committee, has taken many measures and actions at the QFMA level, as well as at the level of the capital market sector in order to reduce the negative impacts of the spread of the Corona virus crisis, to ensure the continuity and safety of work in the financial markets and provide services to investors and their access to their investments without any restrictions. Such measures should be taken with preserving the priority of employee safety, in line with government directives related to crisis management due to the continuing conditions of the Corona pandemic.

The Risk Unit shall prepare many periodic and non-periodic studies and reports related to QFMA's work and the capital market, including the following:

• Reports on Indicators of Capital Adequacy Risks for Financial Services Companies:

The Risk Unit follows and monitors, on weekly basis, capital adequacy risks of financial services companies -intermediaries- of the compliance of such companies with the Capital Adequacy Standard, by conducting studies and analyzes the risks associated with violations of the companies' non-compliance. It also classifies the final risks of capital adequacy based on calculation the average overall risk score for the period and submits quarterly the necessary recommendations.

• Reports on Non-Qatari Investor Account Data and Information:

Due to the risks entailed thereof, the Unit monitors and analyzes, on a quarterly basis, information on non-Qatari investors' accounts of unknown nationality and country of residence. It also measures the regulation enforcement index related to the companies' compliance with the QFMA's legislation on the AML/CFT Rules and Law requirements, which has led to an improvement of the quality and completion of information, in cooperation with the QFMA's AML/CFT team.

• Report on the Risks of Non-Compliance and Suggest Grounds for Remediation:

The Unit has studied the reports issued by Inspection and Surveillance Department during 2019 and 2020, aiming to develop grounds for remediation of various risks. It studies (32) inspection reports over financial services companies issued during the period, which resulted in recommendations with proposals related to the risks of performing an activity or a function subject to QFMA's jurisdiction without obtaining an approval or license, and risks related to customer data and their trading, as well as risks related to accounting reports and records.

- **Follow up on the Workflow of Financial Services Companies during the Coronavirus Pandemic:**

Since the beginning of the Coronavirus pandemic, the Risk Unit has been monitoring financial services companies periodically to determine the workflow and the risks or challenges that may affect the proper provision of services, if any, and to submit reports thereon.

- **The Application of Risk Management in Financial Services Companies:**

Through a questionnaire prepared and sent to all financial services companies, the Unit has monitored the application of financial services companies for risk management policies in order to ensure that companies follow effective systems and controls to manage the potential risks, especially financial and operational risks, as well as to enhance the culture of risk management in such companies.

The key outcomes of the Risk Unit:

Work of the Risk Unit during 2021	No.
Periodic Reports	5
Studies	20
Recommendations	24

Development of Financial Products

QFMA works constantly on developing the financial market, providing innovative frameworks and facilitating the issuance of new financial products, by following up the key indicators of financial market performance, identifying deficiencies, considering weaknesses, submitting proposals for remediation, as well as following up legislative developments in the regional and international financial markets. This effort aims to enhance the competitive capabilities of the Qatari financial market, to identify the latest international standards and practices issued by international institutions such as IOSCO or OECD and other international organizations concerned with setting and developing performance standards in the financial markets, then submit proposals for legislative and institutional development, and technical aspects, that would raise the growth potential of the financial market, and suggest new investment products, which would enhance the depth and breadth of the financial market.

In this regard, the New Financial Products Department participates in the work of the Legislative Committee, emanating from QFMA's Board. This Committee revises and develops all legislation, mechanisms and financial instruments applicable in the Qatari market. Such function is done by making studies and comparisons with the legislation of regional and international markets and

international standards, and identifying the potential effects of their application and suitability with the Qatari market and its dealers, in preparation for approval by the Legislative Committee, then submission to the QFMA's Board of Directors to be issued.

The New Financial Products Department also cooperates and coordinates with all other QFMA's executive departments, in particular the technical departments, in studying some shortcomings or weaknesses may appear in the financial market legislation or may result from some wrong practices, and participates in submitting proposals to correct the situation in line with international best practices and standards.

The key works studied and amended by the Department to develop the financial market during 2021:

1. Regulations for Settlement of Disputes by Arbitration
2. Amendments of Omnibus Orders Rules.
3. Amendments to Commercial Companies Law No. 11 of 2015.
4. Evaluation criteria.
5. Draft of Investment Funds Law.
6. Requirements to grant a license for Offering/Issuing Manager and Listing Advisor.
7. Amendment of the Initial Margin percentage in Margin Trading Rules.
8. Reviewing the GCC inter-registration agreement.
9. Studying the institutional self-sufficiency of QFMA.
10. Work principles of the single window.
11. Covered Short Selling Rules.
12. Securities Lending and Borrowing Rules.
13. Rules for Dividends Distribution of listed companies and entities.

International Cooperation

QFMA gives a great concern to regional and international bilateral and multilateral cooperation, which connects it with many similar capital markets regulators regionally and internationally.

QFMA enhances various aspects of cooperation with its original and international counterparts, organizations and authorities, in order to improve the professional and institutional capacities building and to consolidate its attendance in the international scene by promoting its participation in conferences, meetings and workshops.

Under this cooperation, QFMA participates with its regional and international counterparts by exchanging knowledge and information, experiences and proposals, and responding to requests and inquiries, to serve the ongoing development of the capital market sector.

Events Organized by QFMA:

First: The QFMA's AML/CFT Digital Learning Assessment Project:

In cooperation with the Chartered Institute for Securities & Investment (CISI), this program launched on February 2021. QFMA has developed this AML/CFT digital learning assessment, in English and Arabic, for professionals working in the Qatari capital market. The successful completion of the e-learning module will enhance the AML/CFT awareness in the capital market sector and will be well recognized in the QFMA licensing process.

The module combines regulatory and supervisory knowledge together with professional and training experience, as it includes AML/CFT international principles and regulations, as well as the AML/CFT legislations of the State of Qatar. QFMA made this module available for the public and the concerned entities. It can be read and accessed on any mainstream mobile, tablet, or laptop, with the aim of disseminating knowledge and awareness about AML/CFT in the capital market sector in particular, and in the financial sector in general.

The module consists of eight-themed chapters and is concluded by a test of multiple-choice questions. Upon the successful completion of the test, the registrant will receive a downloadable certificate issued by the QFMA and the CISI.

This AML/CFT digital learning module includes plenty of practical case studies to help understand what is to be done in certain situations, a glossary, links to related conferences, questions and videos to support professionals in their learning of such interactive module. Upon successful completion of the module with pass mark of 75%., the registrant will receive a downloadable certificate confirming their pass and the date of the assessment by the QFMA and the CISI. Access is unlimited, as users can exit the module and reopen it later. The QFMA will have full access to the results of an individual's professional assessment, to oversee AML/CFT compliance across the State of Qatar. The number of participants in the program was (216) participants.

Second: The Gulf Investment Awareness Program "Mulem":

It is a joint program among the GCC financial market regulators, which was launched in early November 2020, and targets the participants dealing in the financial markets and those concerned in such markets from various sectors.

Under this program, each GCC financial market regulator sponsors a specific period of the program, by publishing various awareness messages that include press releases and messages published on the websites, social media, and various media.

Events Organized under the Gulf Investment Awareness Program "Mulem":

• The Campaign of "Protect your Investments by Knowing Your Rights & Obligations

It is a comprehensive awareness and educational campaign started at the beginning of February until the end of March 2021. It aimed to raise awareness among investors in the GCC countries, to spread awareness of the fundamentals of investment in financial markets and methods of fraud and risks. It also aimed to emphasize the need to adopt strategies helping to reduce such risks, as well identify the rules and legislations that govern dealings in the financial markets, in order to increase the standards of efficiency and integrity in such markets.

• Program on "FINTECH and Regulations"

It is a training program held online in cooperation with the Union of Arab Securities Authorities (UASA) on 17-18 March 2021. This training program comes as a part of the QFMA's interest and commitment to enhancing the specialized technical, educational and awareness training aspect for dealers, interested and related parties in the capital market sector, supporting the growth and development of the capital market in general, and encouraging the application of advanced technology.

The program is aimed at understanding and decoding the term Fintech and how it fits into the financial services sector and the world at large. Participants will learn what comprises Fintech, the Fintech ecosystem, subsectors and key players.

Third: The Fifth World Investor Week for the International Organization of Securities Commissions (IOSCO):

• The program "Managing Operational Risks in Financial Institutions"

In cooperation with the Union of Arab Securities Authorities (UASA), QFMA held, on 9-11 November 2021, an online training program within the framework of the World Investor Week.

The training program dealt with business risks of financial institutions, the practical techniques required to investigate operational and financial risk incidents, and how to manage these risks in the long term. The topics also included presenting a model of appropriate behaviors for managing operational risks in the workplace, contributing to enhancing facing them and the most important organizational considerations in how to manage them.

Events Participated by the QFMA:

• The IOSCO/PIFS-Harvard Law School Global Certificate Program:

QFMA participated in the joint program developed between IOSCO and Harvard Law School (PIFS-HLS). It is a two-phase executive education program that is exclusively tailored for regulators of securities markets. Phase I, held from 14 to 14 June 17, 2021, covered the fundamentals and intricacies of securities regulation and compliance. Phase II, held from December 13-17, 2021, covered the current and future regulatory challenges and emerging issues.

• **Workshop on Surveillance over the Derivatives Market and Central Clearing Mechanisms:**

QFMA participated in the Surveillance over the Derivatives Market and Central Clearing Mechanisms Workshop on September 12, 2021, organized by the GCC General Secretariat Capital Market Authority (CMA) in the Kingdom of Saudi Arabia, where they reviewed the central clearing mechanisms and opportunities for cooperation between the GCC countries.

• **Harvard Law School's Program on International Financial Systems:**

QFMA participated in Harvard Law School's Program on International Financial Systems. The program aims to facilitate market development by empowering future leaders in the financial markets through extensive training by Harvard faculty, specialized government officials, and experts from the private sector. The program was held over the months of June and July 2021.

• **The 23rd IOSCO Seminar Training Program:**

QFMA participated 23rd IOSCO Seminar Training Program on "Market Surveillance and the Use of Technology", held virtual, 27-29 April 2021. It addressed the challenges and pressures facing markets around the world, as well as the use of technology in market surveillance by sharing members' experiences and discussing case studies.

• **Training Course on the Unified Electronic Financial Reporting System:**

QFMA participated in the training course, held 7-8 April 2021, on the unified electronic financial reporting system using the (XBRL) platform (Q-Disclosure) organized by QSE.

Events Participated by the QFMA Internationally:

• **Meetings of the Secretariat General of the Gulf Cooperation Council (GCC):**

- The 23rd Meetings of the Heads of GCC Financial Market Regulators' Committee (or their equivalent), on April 11, 2021.
- The consultative meeting of the Heads of GCC Financial Market Regulators to discuss issues of common interest, on March 25, 2021.
- Meetings of the GCC Financial Markets Integration Strategy Task Force.
- Meeting of the GCC Financial Markets Regulators Working Group Concerning Communication and Investor Awareness.

- **The UASA Meetings:**
  - The 15th meeting of the Union of Arab Securities Authorities (UASA), on May 25,2021.
  - Meetings of the working groups to implement the objectives and initiatives of the UASA's Strategic Plan 2021-2025.
- **The IOSCO's Meetings:**
  - Meeting of Multilateral Memorandum of Understanding Committee (MMoU) and Enhanced Multilateral Memorandum of Understanding (EMMoU), on November 8, 2021.
  - Africa Middle East Regional Committee Meeting – AMERC, on November 10, 2021.
  - Meeting of the Growth and Emerging Markets Committee – GEMC, on November 11, 2021.
  - Presidents Committee meeting, on November 16, 2021.
  - Africa Middle East Regional Committee Annual Meeting – AMERC, on 3 June 2021.

The Key Achievements during 2021 as Follow:

Questionnaires

Entity	Questionnaire
Union of Arab Securities Authorities (UASA)	Survey on the implementation of the initiatives and objectives of the UASA's Strategic Plan 2021-2025.
Islamic Financial Services Board (IFSB)	Survey on implementation 2021
Capital Market Authority- Kuwait (CMA)	Sustainable Finance
International Organization of Securities Commissions (IOSCO)	Survey on the Enforcement Toolbox

Incoming Requests

Entity	Request
Capital Markets Authority – Kuwait (CMA)	Inquiries about licensing
Capital Markets Authority – Kuwait (CMA)	Market Maker Activity
Capital Markets Authority – Kuwait (CMA)	Venture Market
Securities and Commodities Authority- (SCA)- UAE	Assistance
Securities Commission Malaysia	Request for assistance under the multilateral memorandum of understanding of the International Organization of Securities Commissions
Capital Markets Authority – Kuwait (CMA)	Degrees of litigation
Polish Securities and Exchange Commission (KPWiG)	Assistance
Capital Markets Authority – Kuwait (CMA)	Hedge fund rules
Capital Markets Authority – Kuwait (CMA)	Appealing the decisions of the Disciplinary Committee
Capital Markets Authority – Kuwait (CMA)	The rules governing committees and task forces
Capital Markets Authority – Kuwait (CMA)	Development of capital markets in the GCC countries
National Anti-Money Laundering and Terrorist Financing Committee	Request for information regarding international cooperation regarding the mutual evaluation process for the State of Palestine
Capital Markets Authority – Kuwait (CMA)	Preparing the executive regulations for Bankruptcy Law No. 71 of 2020
Capital Markets Authority – Kuwait (CMA)	General Inquiries
Securities and Commodities Authority- (SCA)- UAE	General Inquiries
Sultanate of Oman	Anti-Money Laundering and Terrorist Financing Rules

Outbound Requests

Request
Legal legislation
Organizational Structure

Developing Human Resources Capacity & Qatarization

Developing and building human capital capacity is one of the most important and key pillars of upgrading the level of work, performance and achievement. The continuous development of human resources will ensure outputs in line with the QFMA's aspirations and ambitions. Thus, QFMA pays more concern on developing human capital capacity, to enhance its competitive capabilities, and is also working to increase jobs Qatarization percentage and assign national competencies in various departments and sections, in order to achieve the objectives of its Strategic Plan (2017-2022).

Training for the QFMA Staff

Item	Training program	Workshop	Seminar	Meeting
Inside	148	3	3	0
Outside	15	4	2	11
Total	163	7	5	11

Total Number of the QFMA's Employees & Percentage of Qatarization

No. of Employees	2021	Percentage of Total %	2020	Percentage of Total %
Qatari employees	93	%68	86	6 6%
Non- Qatari employees	44	%32	45	34%
Total	137	%100	131	100%

Note: Employees (service workers) are excluded from the total number when calculating the distillation rate in the authority

No. of Recruitments	2021	Percentage of Total%	2020	Percentage of Total %
Qatari employees	12	%86	7	87.5%
Non- Qatari employees	2	%14	1	12.5%
Total	14	%100	8	100%

QFMA Employees by Education Degrees

Category	2021				2020			
	No.	Percentage of Total	Local Universities	External Universities	No.	Percentage of Total	Local Universities	External Universities
University Degree & Above	99	72%	56	43	94	72%	51	43
Non-University Degree	38	28%			37	28%		
Total	137	100%			131	100%		

Government Scholarships:

The Program aims to provide the QFMA with its needs of various scientific specializations and degrees with the required number in each specialization. as well as the objectives of implementing the Qatarization policy.

Summary of Government Scholarships:

No.	Progress
(50) students	Target Total
((39students	Students been granted scholarships
(29) graduates	Students graduated and joined QFMA staff

Graduates Preparation Program:

- QFMA has prepared a development program for its new graduated employees during 2021.
- The program included 10 employees from the government scholarship as a down payment, and it is also applied to all new graduates from outside the government scholarship.
- The new graduate program includes clear individual development plans divided into technical competencies and behavioral competencies.
- The program includes multiple technical programs followed by specialized training that suits the work needs of each graduate.

Public Relations & Communication

In terms of public relations and communication, QFMA has achieved many tasks, activities and programs in line with the QFMA's Strategy by direct and indirect internal and external communication.

As part of the QFMA's ongoing efforts to combat the spread of the Coronavirus, the Public Relations & Communication Dept. continued during the year to highlight the preventive measures to be followed to fight the virus at workplace, as well as sending general advice to the staff, in addition to preparing integrated awareness leaflets, in cooperation with the Ministry of Public Health (MOPH), and educational materials to prevent infection with the virus, and emailing them to all QFMA staff.

Public Relations and Communication Dept. has cooperated in preparing these awareness materials with MOPH, within the framework of Workplace Wellness Program, under the MoU signed between QFMA and MOPH on April, 2019, which defines the activities fall within the Workplace Wellness Program It defines the activities that fall under the Workplace Health Program provided by MOPH to QFMA.

As a part of the activities of the Workplace Wellness Program and the Qatar National Nutrition and Physical Activity Action Plan, the Department organized the participation of QFMA's employees in two awareness seminars, in cooperation with MOPH, on "physical activity" and on "alignment of office work".

Under the Gulf Investment Awareness Program "Mullem" and within its awareness role, QFMA organized awareness and educational campaign under the title "Protect your Investments by Knowing Your Rights & Obligations ".

The Department organized the QFMA's participation in terms of the media by preparing "tweets" contained various educational and awareness messages related to the basics of investment, which were shared with and published daily on the social media accounts of the GCC financial markets regulators.

The Public Relations & Communication Dept. also prepared the necessary press releases and reports related to the regulations, decisions and training and educational programs issued by QFMA during the year.

IT Development and Support

QFMA is exerting more efforts to keep pace with the technological development and provide the latest E-services for investors and dealers in the Qatari capital markets as well those subject to QFMA's jurisdiction.

QFMA gives a great concern to meet the needs of investors and dealers and reduce time and effort in completing their business and transactions by making the largest possible number of its services available electronically via QFMA's official website or mobile phone application.

The key activities in this regard during the year are as follows:

QFMA's AML/CFT Digital Learning Assessment Module:

After the successful pilot launch of the program, the QFMA officially made it available to the public and those interested in 2021, noting that the program was developed in cooperation with the Chartered Institute for Securities & Investment (CISI). It is a digital educational platform available in Arabic and English, for professionals working and interested in the capital market.

The Information Systems Dept. developed the design and program of the platform pages for QFMA electronic portal, then made the automatic link and instant exchange of data with the CISI portal.

- Lunch of the QFMA mobile application.
- Lunch of new e-services:

Service	No.
Ones on QFMA's portal	5
Ones on QFMA mobile application	13

- Implementation of the project “National Information Assurance Policies” (NIA), a project approved by the Ministry of Transport and Communications (MOTC), which aims to ensure confidentiality, integrity or availability of information assets and classify them according to national standards, as well identify the associated risks and the appropriate protection means to be followed.
- Updating some of the basic systems used in QFMA. (UPGRADE MS Active Directory, MS Exchange and MS SCCM)
- Implementation of the Microsoft Multi-factor Authentication project
- Implementation of the first and second campaigns of the information security awareness program.

No. of Awareness Programs	No. of Participants	Percentage of Success
8	400	87%

- Start of a dashboard development project using QFMA Dashboards (MS-Power BI)
- Start of the procedures of the QFMA’s new electronic correspondence and archiving system.

Planning and Quality

QFMA enhances the role of Planning & Quality Department to achieve its strategic responsibilities to reach the quality of performance, results and outputs, and to follow up on the achievement of the QFMA’s Strategic Plan.

The most important works completed by the Department during the year are as follows:

Completion of Institutional Performance Standards – Phase 5, in Coordination with the Civil Service and Government Development Bureau:

In order to achieve the strategic objective (boosting the efficiency of the institutional capacity of the QFMA), and in coordination with Civil Service and Government Development Bureau, phase 5 of the handbook on “Institutional Performance Standards for Government Entities” was launched, where these standards were circulated to all QFMA’s departments.

This handbook aims to adhere to the institutional performance standards approved by the esteemed Council of Ministers and which all government entities are required to implement and adhere to, as it is an indicator of the development of business environments in government entities.

Phase 5 of the QFMA’s Institutional Performance Standards was completed and delivered to the Civil Service and Governmental Development Bureau.

974 Stadium

Opened in
20 November 2021

Part Five

Performance of Qatari Securities Market

5

Performance of Qatari Securities Market "Qatar Exchange"

Main Market

General Index	Change % 2021-2020	2017	2018	2019	2020	2021
	11.4%	8,523.38	10,299.01	10,425.51	10,435.96	11, 625.81

QSE General Index Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
QSE 2021	10,473.50	10,145.99	10,401.50	10,911.40	10,748.26	10,730.68	10,753.28	11,092.90	11,485.23	11,764.77	11,386.31	11,625.81
QSE 2020	10,442.01	9,490.14	9,490.14	8,764.05	8,844.74	8,998.56	9,368.17	9,845.17	9,990.39	9,691.02	10,262.10	10,435.96

Listed Shares in the Main Market

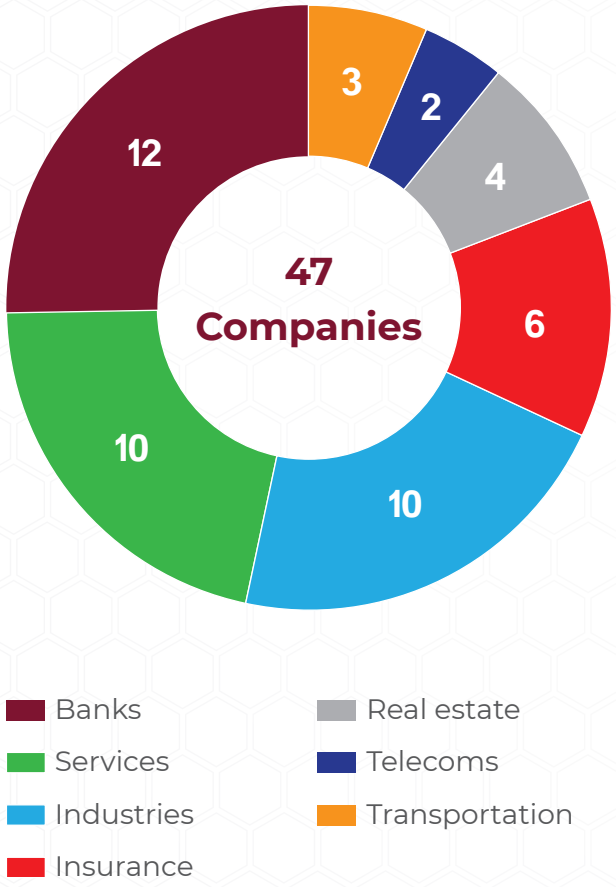
Listed Shares	Bonus Shares	New Listings	Total
No. of Companies	1	1	2
No. of Listed Shares (Million)	24	350	374

Main Market Activity

	2021	2020	Change %
Total No. of Listed Companies	47	47	-
Market Cap (Billion QR)	667.57	602.20	10.86%
Trading Value (Billion QR)	112.78	105.78	6.62%
Shares Traded Volume (Billion Shares)	47.04	55.16	-14.72%
No. of Executed Transactions (million transaction)	2.47	2.29	7.86%
Average Daily Trading Value (Million QR)	452.93	424.82	6.62%
Average Daily Volume of Shares Traded (Billion Shares)	188.90	221.51	-14.72%
Average Daily No. of Transactions	9,908.09	9,186.03	7.86%
Number of Trading Days	249	249	-

Statistics of Main Market Sectors

No. of Listed Companies by Sector

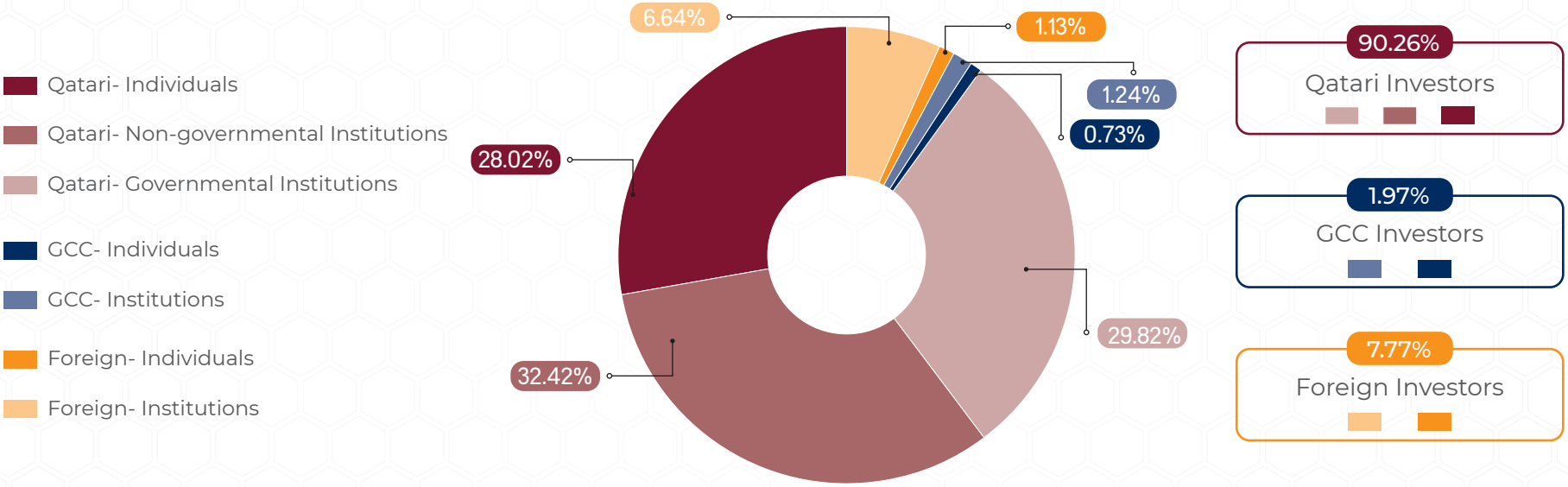


Sector Indices in the Main Market

Sector	Market Cap (billion QR)	Trading Value (Billion QR)	Turnover %	Earnings per Share%	P.E Ratio (Times)
Banking & Financial Services	335.98	41.12	12.24	2.34	14.42
The Consumer Goods & Services	35.93	15.98	44.47	2.85	18.12
Industrials	166.87	32.68	19.58	2.33	15.96
Insurance	15.58	3.29	21.10	0.72	16.94
Real Estate	54.00	9.37	17.34	1.29	27.85
Telecoms	29.53	4.69	15.87	3.43	-35.05
Transportation	29.69	5.66	19.07	3.41	16.28
Total	**667.57**	**112.78**	**16.89**	**2.34**	**16.87**

Investors in the Main Market

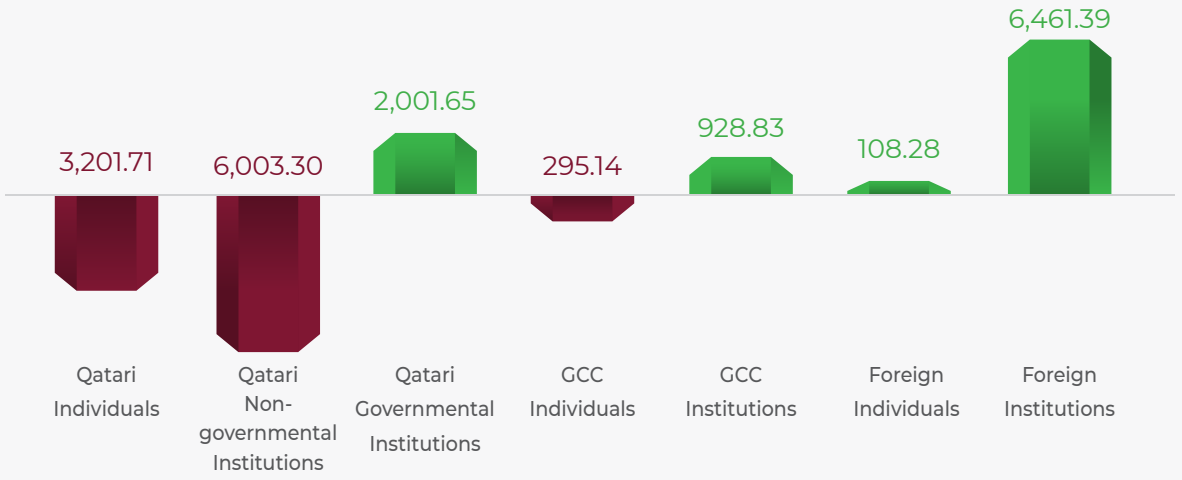
Equity Ownership Percentage of Investors (As per No. of Shares)



Total Buy & Sell by Investors

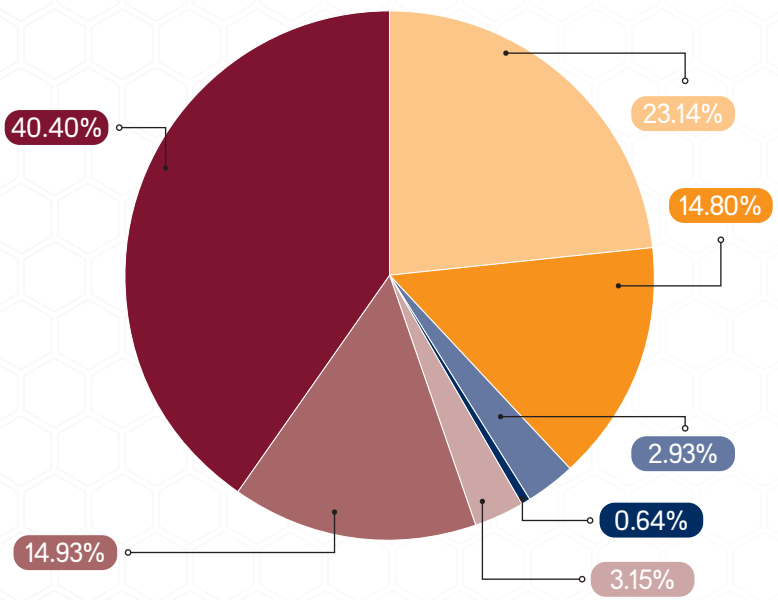
Main Market

(Million QR)



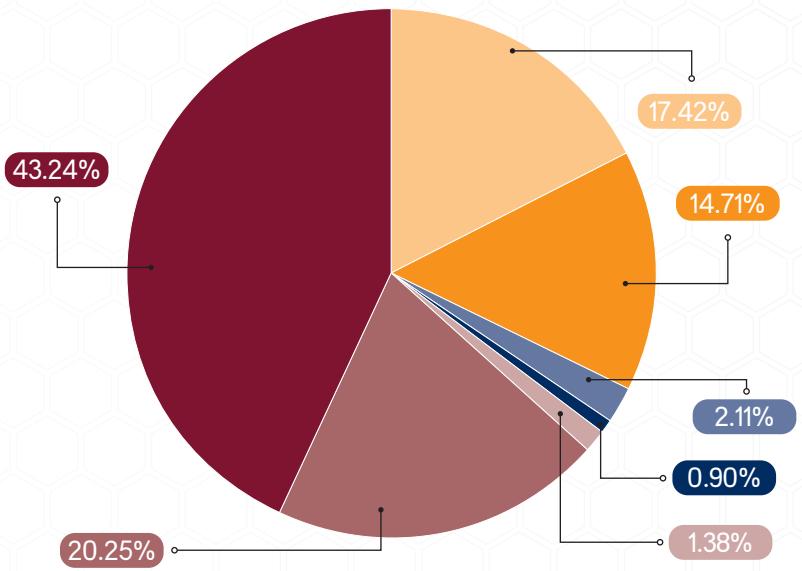
Investors Activity - Main Market

Percentage of Buy



- Qatari- Individuals
- Qatari- Non-governmental Institutions
- Qatari- Governmental Institutions
- GCC- Individuals
- GCC- Institutions
- Foreign- Individuals
- Foreign- Institutions

Percentage of Sell



- Qatari- Individuals
- Qatari- Non-governmental Institutions
- Qatari- Governmental Institutions
- GCC- Individuals
- GCC- Institutions
- Foreign- Individuals
- Foreign- Institutions

Government Debt Instrument

Treasury Bills Listed and Traded

T. Bills (Million QR)	2021	2020	Change %
Listed T. Bills	7,090.00	7,177.50	-1.22
Traded T. Bills	-	99.77	-

Government Bonds Listed and Traded

G. Bond (Million QR)	2021	2020	Change%
Listed G. Bonds	13,450.00	-	-
Traded G. Bonds	11,332.06	9,869.19	14.82

Exchange Traded Funds (ETFs) (Million QR)

ETF Name	2021	2020	Change %
QE Index ETF (QETF)	132.29	26.00	408.74
Al Rayan Qatar ETF (QATR)	74.58	53.87	38.44
Total	206.87	79.87	159.00

Second Market (Venture)

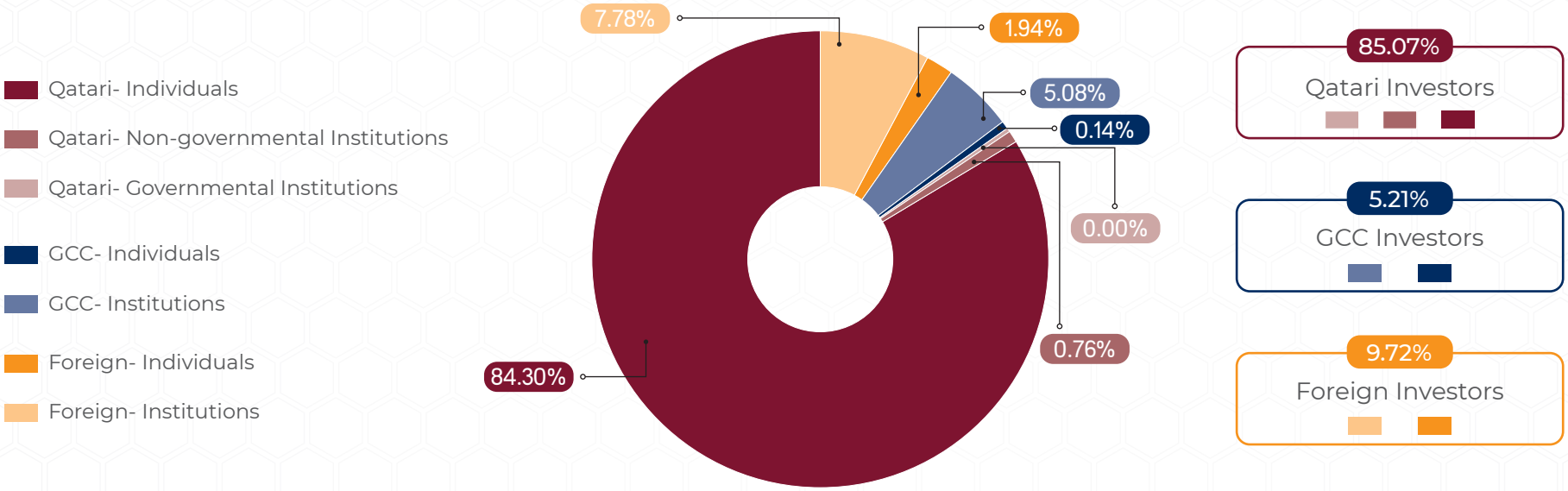
Listed Shares

Listed Shares	New Listings
No. of Listed Shares (Million)	290

Market Activity

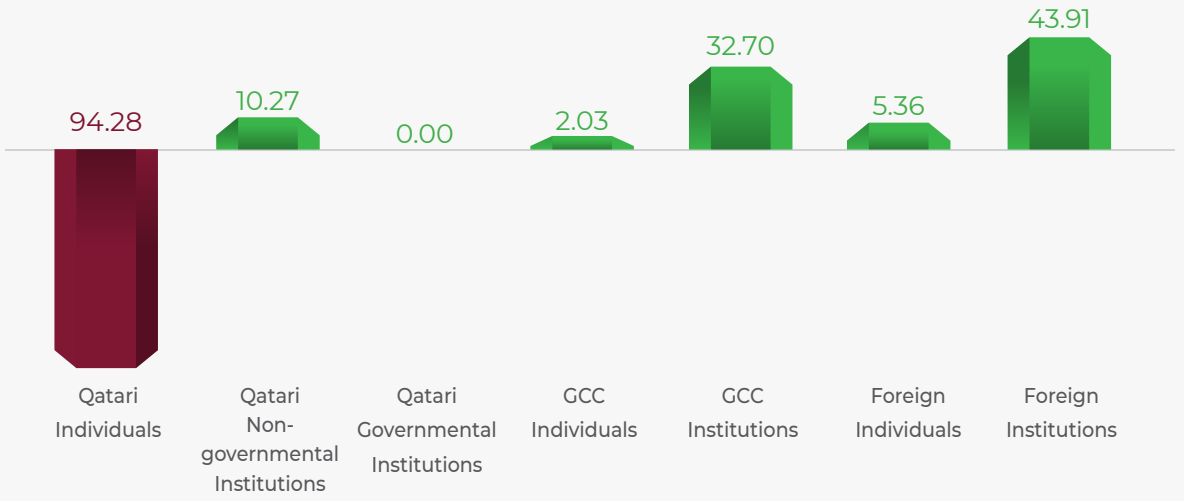
Venture Market Activity	2021
Total No. of Listed Companies	2
Trading Value (Billion QR)	346.20
Shares Traded Volume (Billion Shares)	123.49
No. of Executed Transactions	9,467

Equity Ownership Percentage of Investors (As per No. of Shares)



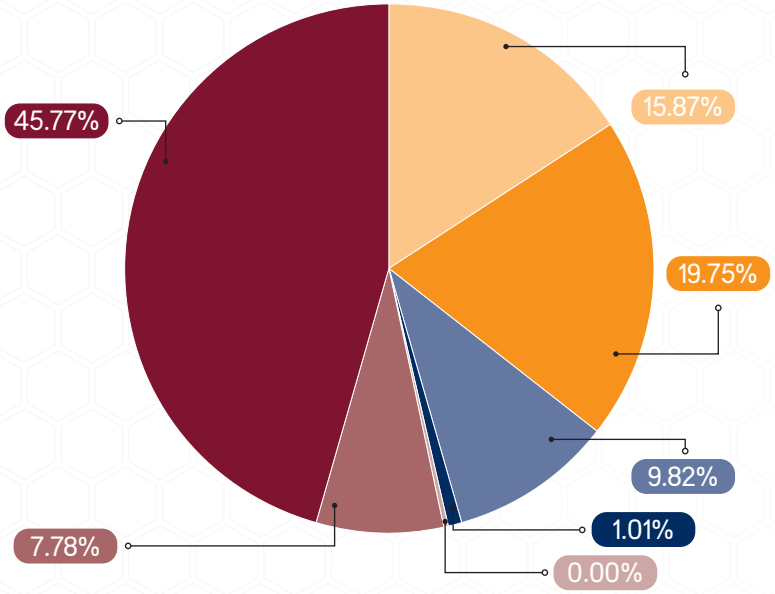
Total Buy & Sell by Investors Main Market

(Million QR)



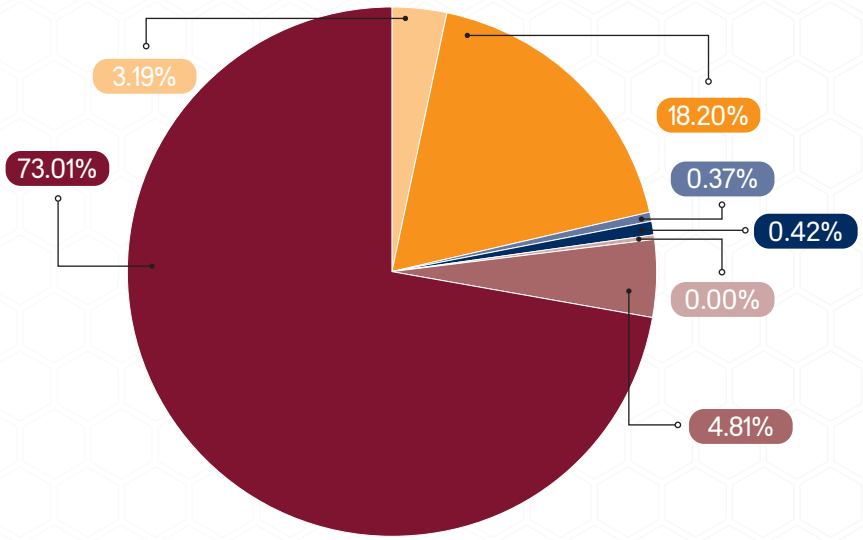
Shares Trading by Investors

Percentage of Buy



- Qatari- Individuals
- Qatari- Non-governmental Institutions
- Qatari- Governmental Institutions
- GCC- Individuals
- GCC- Institutions
- Foreign- Individuals
- Foreign- Institutions

Percentage of Sell



- Qatari- Individuals
- Qatari- Non-governmental Institutions
- Qatari- Governmental Institutions
- GCC- Individuals
- GCC- Institutions
- Foreign- Individuals
- Foreign- Institutions

Lusail Stadium

استـــــاد لوسيل

هيئة قطر للأسواق المالية
Qatar Financial Markets Authority

qfma.org.qa

ANNUAL REPORT 2021

Qatar